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# Senate Report

No. 216



IRAN-CONTRA INVESTIGATION  
APPENDIX B, VOLUME 4  
DEPOSITIONS

United States Congressional Serial Set

Serial Number 13745



Report of the Congressional Committees Investigating the

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# Iran-Contra Affair

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Appendix B: Volume 4  
Depositions

**Daniel K. Inouye**, *Chairman*,  
Senate Select Committee  
**Lee H. Hamilton**, *Chairman*,  
House Select Committee

U.S. Senate Select Committee  
On Secret Military Assistance to Iran  
And the Nicaraguan Opposition

U.S. House of Representatives  
Select Committee to Investigate  
Covert Arms Transactions with Iran

November 13, 1987.—Committed to the Committee of the Whole House  
on the State of the Union and ordered to be printed.

November 17, 1987.—Ordered to be printed.





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## United States Senate

SELECT COMMITTEE ON SECRET MILITARY  
 ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION  
 WASHINGTON, DC 20510-6480

March 1, 1988

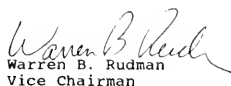
Honorable John C. Stennis  
 President pro tempore  
 United States Senate  
 Washington, D.C.

Dear Mr. President:

We have the pleasure to transmit herewith, pursuant to Senate Resolution 23, Appendix B to the final Report of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition. We will submit such other volumes of Appendices to the Report as are authorized and as they become available.

Sincerely,

  
 Daniel K. Inouye  
 Chairman

  
 Warren B. Rudman  
 Vice Chairman



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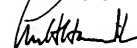
The Honorable Jim Wright  
Speaker of the House  
U. S. Capitol  
Washington, D. C. 20515

Dear Mr. Speaker:

Pursuant to the provisions of House Resolutions 12 and 330 and House Concurrent Resolution 195, 100th Congress, 1st Session, I transmit herewith Appendix B to the Report of the Congressional Committees Investigating the Iran-Contra Affair, House Report No. 100-433, 100th Congress, 1st Session.

Appendix B consists of the depositions taken by the Select Committees during the investigation. The contents of Appendix B have been declassified for release to the public.

Sincerely yours,



Lee H. Hamilton  
Chairman

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# Depositions

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Airline Proprietary Project Officer.

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Allen, Charles.

Arcos, Cresencio.

## Volume 2

Armitage, Richard.

Artiano, Martin L.

Associate DDO (CIA).

Baker, James A., III.

Barbules, Lt. Gen. Peter.

Barnett, Ana.

Bartlett, Linda June.

Bastian, James H.

Brady, Nicholas F.

Brown, Arthur E., Jr.

## Volume 3

Byrne, Phyllis M.

Calero, Adolfo.

Castillo, Tomas ("W").

Cave, George W.

C/CATF.

## Volume 4

Channell, Carl R.

Chapman, John R. (With Billy Ray Reyer).

Chatham, Benjamin P.

CIA Air Branch Chief.

CIA Air Branch Deputy Chief.

CIA Air Branch Subordinate.

CIA Chief.

CIA Communicator.

CIA Identity "A".

---

## **Volume 5**

CIA Officer.  
Clagett, C. Thomas, Jr.  
Clark, Alfred (With Gregory Zink).  
Clarke, George.  
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C/NE.  
Cohen, Harold G.

## **Volume 6**

Collier, George E.  
Cole, Gary.  
Communications Officer Headquarters, CIA.  
Conrad, Daniel L.

## **Volume 7**

Cooper, Charles J.  
Coors, Joseph.  
Corbin, Joan.  
Corr, Edwin G.  
Coward, John C.  
Coy, Craig P.  
Crawford, Iain T.R.

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Crawford, Susan.  
Crowe, Adm. William J.  
Currier, Kevin W.  
DCM, Country 15.  
DEA Agent 1.  
DEA Agent 2.  
DEA Agent 3.  
deGraffenreid, Kenneth.  
de la Torre, Hugo.  
Deputy Chief "DC".

## **Volume 9**

Duemling, Robert W.  
DIA Major.  
Dietel, J. Edwin.  
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Dutton, Robert C.  
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---

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Farber, Jacob.  
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Former CIA Officer.  
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## **Volume 12**

George, Clair.  
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---

Hunt, Nelson Bunker.  
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---

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---

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Walker, William G.  
Watson, Samuel J., III.  
Weinberger, Caspar.  
Weld, William.  
Wickham, John.  
Zink, Gregory (See Alfred Clark).

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# Preface

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The House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, under authority contained in the resolutions establishing them (H. Res. 12 and S. Res. 23, respectively), deposed approximately 290 individuals over the course of their 10-month joint investigation.

The use of depositions enabled the Select Committees to take sworn responses to specific interrogatories, and thereby to obtain information under oath for the written record and develop lines of inquiry for the public hearings.

Select Committees Members and staff counsel, including House minority counsel, determined who would be deposed, then sought subpoenas from the Chairmen of the Select Committees, when appropriate, to compel the individuals to appear in nonpublic sessions for questioning under oath. Many deponents received separate subpoenas ordering them to produce certain written documents.

Members and staff traveled throughout the United States and abroad to meet with deponents. All depositions were stenographically reported or tape-recorded and later transcribed and duly authenticated. Deponents had the right to review their statements after transcription and to suggest factual and technical corrections to the Select Committees.

At the depositions, deponents could assert their fifth amendment privilege to avoid self-incrimination by refusing to answer specific questions. They were also entitled to legal representation. Most Federal Government deponents were represented by lawyers from their agency; the majority of private individuals retained their own counsel.

The Select Committees, after obtaining the requisite court orders, granted limited or “use” immunity to about 20 deponents. Such immunity means that, while a deposed individual could no longer invoke the fifth amendment to avoid answering a question, his or her compelled responses—or leads or collateral evidence based on those responses—could not be used in any subsequent criminal prosecution of that individual, except a prosecution for perjury, giving a false statement, or otherwise failing to comply with the court order.

An executive branch Declassification Committee, located in the White House, assisted the Committee by reviewing each page of deposition transcript and some exhibits and identifying classified matter relating to national security. Some depositions were not reviewed or could not be declassified for security reasons.

In addition, members of the House Select Committee staff corrected obvious typographical errors by hand and deleted personal and proprietary information not considered germane to the investigation.

In these *Depositions* volumes, some of the deposition transcripts are followed by exhibits. The exhibits—documentary evidence—were developed by Select Committees’ staff in the course of the Select Committees’ investigation or were provided by the deponent in response to a subpoena. In some cases, where the number of exhibits was very large, the House Select Committee staff chose for inclusion in the *Depositions* volumes selected documents. All of the original

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exhibits are stored with the rest of the Select Committees' documents with the National Archives and Records Administration and are available for public inspection subject to the respective rules of the House and Senate.

The 27 volumes of the *Depositions* appendix, totalling more than 30,000 pages, consist of photocopies of declassified, hand-corrected typewritten transcripts and declassified exhibits. Deponents appear in alphabetical order.

---

## **Publications of the Senate and House Select Committees**

---

*Report of the Congressional Committees Investigating the Iran-Contra Affair*,  
1 volume, 1987.

Appendix A: *Source Documents*, 2 volumes, 1988.

Appendix B: *Depositions*, 27 volumes, 1988.

Appendix C: *Chronology of Events*, 1 volume, 1988.

Appendix D: *Testimonial Chronology*, 3 volumes, 1988.

All publications of the Select Committees are available from the U.S.  
Government Printing Office.



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PAGE 1

1 RPTS DOTSON

2 DCMN PARKER

3

4 DEPOSITION OF CARL R. CHANNELL

5

6

7 Tuesday, September 1, 1987

8

9

10 U.S. House of Representatives,

11 Select Committee to Investigate Covert

12 Arms Transactions with Iran,

13 Washington, D.C.

14

15

16 The committee met, pursuant to call, at 11:00 a.m. in Room

17 2203, Rayburn House Office Building, with Tom Fryman, House

18 Select Committee, presiding.

19 Present: On behalf of House Select Committee: Tom

20 Fryman, Kenneth R. Buck and <sup>Spencer Oliver.</sup>~~Oliver Spencer.~~

21 On behalf of Senate Select Committee: Tom McGough and

22 Henry J. Flynn.

On behalf of the Witness: Alexia Morrison, Attorney-at-Law,

Swidler &amp; Berlin, Washington, D.C.

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NAME: HIR244000

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PAGE 2

23 Whereupon,

24 CARL R. CHANNELL

25 having been first duly sworn, was called as a witness  
26 herein, and was examined and testified as follows:

27

28 EXAMINATION ON BEHALF OF THE SENATE SELECT  
29 COMMITTEE

30 BY MR. FRYMAN:

31 Q Mr. Channel, would you state your full name for the  
32 record, please?

33 A Charles Russell Channell

34 Q Off the record a second.

35 [Discussion held off the record.]

36 MR. FRYMAN: Back on the record.

37 BY MR. FRYMAN:

38 Q Mr. Channell, do you now reside in Washington, D.C.?

39 A Yes, I do.

40 Q Where were you born?

41 A In Elkins, West Virginia.

42 Q What was your date of birth?

43 A 5-25-45.

44 Q Have you ever served in the military?

45 A Yes, I have.

46 Q What were the dates of your service?

47 A 1970 through 1973.

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48 . Q What was your position?  
49 . A I was a Specialist 5 in the United States Army.  
50 . Q Where were you stationed?  
51 . A At Fort Knox, Kentucky; Germany, Fort Knox,  
52 Kentucky, again, and Charleston, West Virginia.  
53 . Q Did you attend college?  
54 . A Yes, I did.  
55 . Q Where did you attend?  
56 . A At American University.  
57 . Q What years?  
58 . A Sixty-three through sixty-eight.  
59 . Q What studies did you pursue?  
60 . A International relations.  
61 . Q Were you a full-time student during that period?  
62 . A Yes.  
63 . Q Did you obtain a degree?  
64 . A No, not at that time.  
65 . Q Did you pursue studies at any university other than  
66 American University?  
67 . A I went to Union Theological Seminary in Richmond,  
68 Virginia in 1969.  
69 . Q What course of study did you pursue there?  
70 . A Theology.  
71 . Q Did you obtain a degree there?  
72 . A No, I was there for just one year.

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73 . Q What was the reason for undertaking a course of  
74 study in theology?

75 . A I had been very interested in both politics and  
76 religion all my life, and when I left American University, I  
77 was rather upset at what was going on both at the university  
78 and actually within the university. There were lots of  
79 problems going on, and I thought maybe that was just the  
80 wrong course of study for me and maybe I should have been  
81 focusing on another very strong interest in my life that I  
82 probably should have been focused on more heavily than I  
83 did.

84 . Q What was it that disturbed you at the American  
85 University?

86 . MS. MORRISON: Is this relevant?

87 . MR. FRYMAN: I think as preliminary background. I  
88 don't intend to pursue this a great deal.

89 . THE WITNESS: There was great social upheaval all  
90 over the United States on many American campuses. The war  
91 in Vietnam was a very hot issue in American University, of  
92 course, the social revolution for civil rights, black  
93 studies, African culture, the awakening of minority peoples  
94 in universities to what they considered to be their rights.

95 . What's odd about this, of course, is they wanted to  
96 be integrated into American society by having separate  
97 dormitories, separate studies and separate classes. It was

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98 a rather contradiction, I thought. They took over the  
99 administration building at one time. There was a lot of  
100 havoc. It was very demoralizing to me.

101 Q Were you active as an undergraduate in student  
102 political affairs?

103 A Some, not in an elected way. I was on, I think,  
104 one or two advisory boards or something like that at the  
105 American University.

106 Q Did you consider yourself a conservative as an  
107 undergraduate?

108 A No.

109 Q Did you consider yourself a liberal?

110 A Yes.

111 Q And were these political organizations that you  
112 were involved with organizations associated with liberal  
113 positions?

114 A Yes. It was a student government. It wasn't a  
115 club.

116 Q You pursued a course of study in theology for one  
117 year at Union ~~College~~ Theological.

118 A That's right.

119 Q Why did you decide to <sup>d</sup>rop that course of study  
120 after one year?

121 A I decided that I was probably in the wrong place.  
122 My interest in Christianity and the principles of

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123 Christianity in social movements was something that was very  
124 important to me. the moral basis for these social movements;  
125 and, as I have said to many people, what we were studying  
126 was how to get the air-conditioning budget through the  
127 church governing body.

128 . Q Now, there came a time--

129 . A In Richmond, that's a big deal.

130 . Q There came a time when you began to work for an  
131 organization called the National Conservative Political  
132 Action Committee.

133 . A That's right.

134 . Q what year was that?

135 . A 1976.

136 . Q What did you do between 1969 and 1976?

137 . A I spent three years in the military. I came back  
138 to Washington, and did some study at American University. I  
139 was looking for work here in politics, and I was spending a  
140 very great deal of time, because my father had just died and  
141 my mother was debilitated, dividing my time a lot in West  
142 Virginia trying to help her out.

143 . We had a family business there. Both my parents  
144 died over a four-year period of having cancer, and my  
145 brother is married and was not able to come back home. I  
146 was not married and so I showed up a lot.

147 . Q So for part of this time you were involved in the

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148 family business in West Virginia?

149 . A It was constant. I split *my time.* I didn't want to stay  
 150 there. I wanted to work in politics in Washington. So you  
 151 can't pursue that if you are not here. But yet we were  
 152 having these problems and the business had problems. My  
 153 father had died. My mother had taken over the business  
 154 because she was given the business. She didn't know what to  
 155 do. She was getting sicker, and so I am sure you understand  
 156 how you end up getting caught and spending a lot of time.

157 . Q How did you come to be associated with the National  
 158 Conservative Political Action Committee in 1976? And I take  
 159 it that organization is frequently referred to by its  
 160 initials NCPAC. Is that correct?

161 . A Right. I went to campaign training school that was  
 162 advertised in Arlington, Virginia, and it was a week long  
 163 campaign technique training school, and at the end of the  
 164 week Mr. Dolan came to me and said, "Are you just here to  
 165 study, or are you on a congressional staff? Why did you  
 166 decide to come?"

167 . I said, "I am looking for a way to begin to break  
 168 into politics, and I find this is very interesting, and I  
 169 would like to participate out in the country, seeing what  
 170 grass roots politics is like." He said, "Well, we have  
 171 several positions open for the 1976 campaign. They are, of  
 172 course, part time. they only last four months or something.

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173 Would you care to go to Iowa and be our representative in  
 174 the Ken <sup>Fulk</sup> ~~Vorick~~ campaign?"

175 . Since I was very interested to do anything to  
 176 learn, I made the mistake of saying yes. So I went.

177 . Q You mentioned Mr. Dolan. Who is Mr. Dolan and what  
 178 is his full name?

179 . A John T. Dolan was one of the founders of the  
 180 National Conservative Political Action Committee.

181 . Q Was he also known as Terry Dolan?

182 . A Yes.

183 . Q At this time, in 1976, was he an officer of NCPAC?

184 . A He was the head of NCPAC.

185 . Q Effectively the head of the organization?

186 . A Yes.

187 . Q Now, you mentioned as an undergraduate, to the  
 188 extent you had been involved in political affairs you had  
 189 been involved in what you considered liberal organizations.  
 190 What was the reason for you to enroll in this campaign  
 191 school of the National Conservative Political Action  
 192 Committee?

193 . A The ad that NCPAC ran listed what they were going  
 194 to teach, and I thought that was fascinating; a grass roots  
 195 organization, what is a phone bank, how to write direct  
 196 mail, how to target direct mail, advertising for candidates,  
 197 events or campaigns, mobilizing grass roots support,

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198 everything to do with creating a campaign machine.  
199 . That has always fascinated me. It was a very  
200 extensive agenda.  
201 . Q So am I correct in understanding from your answer  
202 that your enrollment in the school did not reflect at this  
203 time any identification on your part with the political  
204 agenda of MCPAC.  
205 . A I didn't know what that was.  
206 . Q You were interested in the mechanics of campaigns;  
207 is that correct?  
208 . A Right.  
209 . Q Did you talk with Mr. Dolan about political issues  
210 during this week and his position on different issues?  
211 . A I don't recall that at all. I think MCPAC was only  
212 a year old at this point. I am not even sure that it had  
213 any election records, you know. It hadn't participated in  
214 any elections yet.  
215 . Q You said you were asked to participate in a  
216 campaign in Iowa; is that correct?  
217 . A That's the one he offered.  
218 . Q Was the candidate that you were to work for a  
219 Republican?  
220 . A Yes, he was.  
221 . Q Did you know anything about his position on various  
222 political issues?

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223 . A Not before I went.

224 . Q So you didn't know if your political views were  
225 similar to his views.

226 . A Right.

227 . Q Did you learn after you worked for him for a while?

228 . A The first day. I mean I was briefed. Actually what  
229 they were going to do was to ask me to come out and brief me  
230 then, and see if everything would work out, and then come  
231 back later. But I was going to drive out there, and I said  
232 to Terry, if I am going to drive all the way out there, I am  
233 not going to come back here and drive out again. I am going  
234 to drive out and if I feel myself compatible with this man's  
235 views, I am just going to stay, so I don't want to go,  
236 frankly, until you think that you are willing to pay me to  
237 go because I will begin or I will say forget it.

238 . Q After you had this meeting with him, did you  
239 consider your views to be compatible?

240 . A Oh, yes. It was all right. I didn't think  
241 that--very few of the views he had had much to do with  
242 international politics, which was also all right with me,  
243 because I wanted to learn a very great deal about domestic  
244 politics anyway, and it was a congressional election.

245 . Q Did you consider at this point, in 1976, that you  
246 had specific views on international political issues?

247 . A Oh, yes.

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248 . Q What issues in specific?

249 . A I guess all of us had passionate views on Vietnam.

250 That was a big issue.

251 . Q What was your view?

252 . A On Vietnam?

253 . Q Yes.

254 . A That we had made a terrible mistake starting in

255 1965 by the incremental increase of American forces to

256 Vietnam without any clear-cut political goals which we were

257 pursuing, and which we were going to aim to attain; that it

258 was an open-ended gradual commitment, and that it had led us

259 to a great deal of bleeding <sup>with</sup> out ~~with~~ any purpose for the

260 movement, and like Austria did to Germany, the smaller,

261 weaker ally had locked in the greater ally to a cause which

262 would cause the greater ally to bleed a lot more for no <sup>clear</sup>

263 reason.

264 . I guess in short you might say I felt we should

265 either have had a very good political reason for being there

266 and given them massive aid and possibly declare war, if it

267 was worth a 100,000 troops in August of 1985, and then

268 hundreds and hundreds and hundreds of thousands of troops

269 later, we probably should have declared war and had that as

270 a political purpose for being there, or decided very

271 reluctantly that this was an area of the world where we

272 might not be able to create or maintain our political goals

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273 and therefore, we would not use military force.

274 . We would simply use diplomacy, try to reconcile our

275 ally with his adversary.

276 . Q When you began to work in this campaign in 1976,

277 had you concluded that a military solution was not feasible

278 in Vietnam?

279 . A We had already lost. It was over. I concluded

280 that our policy had rendered our military principles there

281 as weak as possible, had begged for defeat. And I thought

282 that was a terrible thing. We lost 50,000 people <sup>my</sup> by age and

283 billions upon billions of dollars. We could have rebuilt

284 every ghetto in America with the money we wasted in Vietnam.

285 . Q Now, on domestic issues you say you were

286 comfortable with the domestic views of the candidate in

287 Iowa?

288 . A Yes.

289 . Q Did you consider his views conservative or liberal?

290 Or did you consider them one way or the other?

291 . A Well, I supposedly considered them just compatible

292 with what I generally thought.

293 . Q How long was this job in the Iowa campaign?

294 . A It lasted until the end of November 1976.

295 . Q And you were on the payroll of the campaign?

296 . A Through--I guess it was. I got paid for November.

297 . Q But you were being paid by the campaign, not by

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298 NCPAC?

299 . A No, NCPAC gave a grant to the campaign, an in-kind  
300 contribution for me.

301 . Q So you were in effect a contribution by NCPAC to  
302 this campaign, to help out in the campaign?

303 . A That is right.

304 . Q And then did you continue with NCPAC after November  
305 of 1976?

306 . A I started again in, right after Christmas in 1977,  
307 anticipated in the five or seven state legislature races in  
308 the State of Virginia.

309 . Q And were you working under Mr. Dolan during these  
310 races?

311 . A Yes. Yes, I was.

312 . Q Were these congressional races?

313 . A No.

314 . Q State legislative races?

315 . A Right.

316 . Q And again you were working in specific campaigns  
317 doing day-to-day campaign chores.

318 . Q Yes.

319 . Q At what point did you leave NCPAC?

320 . A In 1982.

321 . Q Did you continue to work in other campaigns on  
322 behalf of NCPAC after 1977?

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323 . A Yes, I worked with them.

324 . Q What other campaigns did you work in?

325 . A In 1979 I worked in a campaign in Illinois and the  
326 State of Texas and Massachusetts.

327 . Q And you continued to work in other campaigns up  
328 until 1982?

329 . A No, in 1979, January of 1979, I became the National  
330 Finance Chairman for MCPAC and held that position until the  
331 end of 1982.

332 . Q How did you happen to obtain that position?

333 . A Terry suggested that I take that job.

334 . Q Do you know what prompted him to make that  
335 suggestion?

336 . A Yes.

337 . Q What was that?

338 . A I was able to raise a lot of money for him.

339 . Q What was the first instance where you worked in  
340 fund-raising for Mr. Dolan and MCPAC?

341 . A It would have been January 1979.

342 . Q Can you describe the incident?

343 . A The incident? We had a briefing where several  
344 congressmen and senators spoke that MCPAC had helped and at  
345 the end of the briefing, the people were here all day, and  
346 at the end of the briefing I got up and made an address as  
347 to what MCPAC's plans were going to be in 1979, and what the

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348 budget was going to be; how much it was going to take, why  
349 this was important and why these programs were critical, and  
350 asked everybody there if they would financially help make,  
351 realize these programs.

352 . Q What was the response?

353 . A People did give money.

354 . Q Do you know if Mr. Dolan was impressed with the  
355 response?

356 . A Oh, yes, he was.

357 . Q Did he discuss that with you?

358 . A Yes.

359 . Q What did he say?

360 . A Well, he said that--he said, "I don't know how you  
361 do this. We have tried these events. This is the fifth  
362 time we have tried these events, and you have a talent  
363 that--how do you do this?"

364 . And I said, "I don't know." He just saw me get  
365 up and that's what I did. He said, "I've never seen it  
366 like this before, that you were able to have people write  
367 big checks which we have never had before, and you have a  
368 talent, and would--you take any job you want at MCPAC, any  
369 place you want to be, any office you want, any secretary you  
370 want, just would you do this again, more frequently,  
371 hopefully?"

372 . And he said this is--you know, he inquired a lot.

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373 Have I ever done it before, sold girl scout cookies,  
374 whatever, and I said, no, and he said, 'There is just  
375 something you have I have never seen.'  
376 Q So you agreed to devote your efforts to this task  
377 of fund-raising?  
378 A Yes. I was going to be the National Finance  
379 Chairman and coordinate, try to raise a lot of the capital  
380 contributions myself and then try to coordinate that with  
381 our political programs.  
382 Q And you took the title of national finance chairman  
383 in January of 1979?  
384 A That's right.  
385 Q And that continued until 1982?  
386 A Throughout 1982.  
387 Q You left at the end of 1982?  
388 A Yes.  
389 Q Had you had any experience in fund-raising before  
390 late 1978?  
391 A No.  
392 Q Would you describe the fund-raising programs that  
393 you pursued in this period at MCPAC, from 1979 to 1982?  
394 A Well, between 1979 and 1981, the focus of MCPAC's  
395 activity was a new idea, implementing a new idea in American  
396 politics which we have defined as an independent expenditure  
397 program. We pursued those programs, independent

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398 expenditures, in national races throughout 1979 and into  
 399 1980. We used the independent expenditure idea in the  
 400 presidential race of 1980 also. And it was really a two-  
 401 year program.

402 The program was announced as partially funded the 17th of  
 403 August 1979. We had been funding most of the spring and  
 404 summer, and we announced a million dollars, \$2 million  
 405 program, and then we pursued the fund-raiser for this  
 406 program and its execution from August of 1979 through  
 407 November 4, 1980.

408 Q What is an independent expenditure program in this  
 409 context?

410 A The Supreme Court has stated that the individuals  
 411 and political action committees may spend unlimited amounts  
 412 of money, Federal money or individual money, during campaign;  
 413 in a particular race as long as the people or the person,  
 414 the PAC or person raising and spending the money has no  
 415 contact with a proposed beneficiary, an inferred beneficiary  
 416 of his activities. The key here is independent.

417 You can't talk to--if you are going to run an  
 418 independent expenditure program, you can't talk to a  
 419 candidate of that campaign you hope to benefit. You can't  
 420 make strategy with them. You can't share their <sup>POL</sup> ~~policy~~. <sup>by</sup>  
 421 You can't do anything with them the day you announce you are  
 422 an independent expenditure. From that day forward, you must

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↑  
 mean  
 "polls"



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423 go your own way with your own campaign, with your own  
424 strategy, implementing it alone.

425 And this comes out of an argument before the Supreme  
426 Court in 1976 or 1977 where the Supreme Court decreed this  
427 is allowed in American politics. And I don't know the case  
428 that prompted this, but that is where the genesis of the  
429 idea came.

430 Q And your activities for a two-year period was to  
431 raise funds for the independent expenditure program?

432 A That's right. That was the focus of everything  
433 that we did.

434 Q How many races were involved that--

435 A We tried to fund six independent campaigns, so  
436 there were five Senate races and the Presidential one would  
437 have been six.

438 Q That's a total of five over the two-year period?

439 A Yes.

440 Q How much money did you raise for these six  
441 campaigns?

442 A Well, I don't know how much we raised for the six  
443 campaigns, but I raised for NCPAC during that two-year cycle  
444 probably about \$2 million in Federal funds. It is very  
445 difficult to ascertain how much one person actually raises.  
446 I had people from many cities in the country having fund-  
447 raisers for us. We would come in and talk about our program

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448 and show our television messages, and just leave, and then  
449 this person would take it upon himself to go door-to-door  
450 and pick up checks to help us.

451 Many of these people I knew personally. They would  
452 send the checks in and it was credited to what I had done to  
453 create these resources. But I didn't actually do it myself.

454 Q But you were in charge of all fund-raising for  
455 MCPAC during this period, were you not?

456 A No, I was just in charge of what we call capital  
457 resources. In English that is high dollar money.

458 Q What other fund-raising was underway for MCPAC  
459 apart from that?

460 A There was an extensive direct mail program, and  
461 that involved more than one direct mail house. There was  
462 extensive nationwide phone bank operations involving more  
463 than one phone bank, and then there were some state--excuse  
464 me, Terry had hired some individuals in various states to  
465 raise money also.

466 I was the smallest office for fund-raising at  
467 MCPAC. There were three other types of fund-raising going  
468 on in MCPAC while I was there. Mine was the smallest.

469 Q In the two-year period you mentioned, what was the  
470 total amount of money that was raised under your  
471 supervision?

472 A I think about two million.

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473 . Q About two million?

474 . A I think so. It has been so long ago now, I haven't  
475 really thought about it.

476 . Q Prior to this effort you said that you had not had  
477 any experience in fund-raising.

478 . A That's right.

479 . Q Did you talk to others in the field to learn about  
480 fund-raising, or did you develop fund-raising techniques on  
481 your own? How did you go about it?

482 . A It was mostly on my own.

483 . Q Is it your view that you undertook methods of  
484 raising funds that had not been used previously by political  
485 action groups?

486 . A Yes.

487 . Q What sort of techniques?

488 . A The idea of--my whole philosophy of fund-raising was  
489 alien to political action groups. The idea that a political  
490 action group could have a personality, could have a  
491 personified symbol, was brand new in American politics, and  
492 I will never forget the night I spent with Terry arguing  
493 that Terry could become as powerful a personal leader in  
494 America as any Senator or Congressman, but we would focus,  
495 we had to focus, on Terry Dolan as a leader.

496 . We had to put a lot of light on that, and that over  
497 a period of time, with enough focus on that, he would indeed

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498 tend to personify and personalize this organization, and  
499 therefore we would create a personal leader who could meet  
500 with people, talk with people as a Senator or Congressman  
501 could and evoke the same type of long-term loyalty and  
502 financial sacrifice that the Congressman and Senators do.

503 . And this was unheard of in American politics  
504 according to him. Since I was ~~by~~ new, you know, I wasn't  
505 sure. But I knew on Capitol Hill it was old politics by a  
506 long shot. But since PACs were relatively new, and they  
507 were by nature ~~very~~ institutional, that I thought was a  
508 mistake. So we did that.

509 . I created small meetings. We called them  
510 briefings, where we invited no more or had no more than 25  
511 or 30 people come to Washington. We spent the whole day,  
512 sometimes the night, before and then the whole next day and  
513 that night, with these people, introducing Terry to each of  
514 them, getting to know each of them, listening to their  
515 concerns about America and listening for their interest in  
516 what they would like to do for America.

517 . I was able to learn about these people, learn their  
518 interests, concern myself with what they would like to do.  
519 And then as our programs began to evolve, I knew in my head  
520 who we should consult, who we should call, who we could  
521 count on. But it was all very personal, and because of the  
522 personal commitment it took a lot more money. It wasn't a

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523 direct mail letter. And as you began to know these people,  
 524 they became your official family, and it was not meeting  
 525 with these people once and getting a check from them and  
 526 saying thank you and good bye.

527 . They would probably call the next day. They would  
 528 want you to come and see them. They might call every week.  
 529 They might start calling two or three times a week. And  
 530 they did. And so a huge official family grew. By the time I  
 531 left, we had over 155, ~~000~~ <sup>many</sup> ~~givers~~ to MCPAC. When I  
 532 started, there were 10. And when we had raised, I created  
 533 what I called the National Conservative Political Action  
 534 Council or Policy Advisory Council, the same initials as  
 535 MCPAC, where people gave a minimum of \$5,000.

536 . During an off year, they were asked to give to  
 537 Terry's foundation for those activities. And then that  
 538 became so successful and so big we created the governing  
 539 committee, the steering committee for the council. We had  
 540 25 people in that council who gave \$5,000, promised to raise  
 541 \$10,000, and give or raise \$25,000 more for Terry's  
 542 foundation.

543 . That group started out with seven or eight and very  
 544 quickly that became 25. And that is where we were when I  
 545 left. And I had talked to Terry in late 1982 about getting  
 546 an executive committee of the essence of the 25 and asking  
 547 them to be responsible for 50 or 100,000. Because we were.

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548 | these people. We were getting so much support we were  
549 | discovering there was so much money ready for conservative  
550 | organizations in the United States that we needed ways to  
551 | spend that money.

552 |         That is not to say that Terry didn't have a debt.  
553 | I wasn't indebted Terry, others were indebted Terry, but I  
554 | had unlocked several facts that had heretofore not been  
555 | appreciated in American politics. Conservatives were  
556 | willing to give very heavily on anything that would further  
557 | the conservative cause, education, politics, lobbying, all  
558 | kinds of things.

559 |         Terry created a lobbying organization while I was  
560 | there. He raised--I didn't do the fund-raising for that at  
561 | all, but he raised a lot of money for that. He created a  
562 | foundation while I was there. He started using the  
563 | education fund of MCPAC extensively while I was there. His  
564 | major problem was he didn't trust anyone else to do this but  
565 | himself.

566 |         I set out here with all the possibilities, but the  
567 | trouble is it is like 25 cars getting gasoline from one  
568 | tank. It is one at a time.

569 |         Q     You mentioned that the contributors were brought to  
570 | Washington for briefings. Were these briefings on  
571 | particular subjects or were they general briefings? What  
572 | was the nature of the briefings?

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573 . A They were political. Terry was very interested in  
574 campaigns. He was very big on campaigns. He had very  
575 little interest in foreign policy, which is one of the major  
576 reasons why I left. He was very interested in creating  
577 conservative political power in Washington and all these  
578 state capitals. So almost everything he dealt with--campaign  
579 techniques, innovations in elections, innovations in  
580 polling, innovations in studying the census for craws to new  
581 electoral patterns such as an 80 index as where you have  
582 all of this influx of people and it turns out Dallas, North  
583 Dallas, has this huge explosion of Republicans.

584 . He was fascinated by that. He used to take home  
585 with him every night 10 to 15 pounds of polling, and it  
586 was--he spent hundreds and hundreds of thousands every year  
587 on polling to study.

588 . Q Would campaign techniques be the subjects of the  
589 briefings for the contributors?

590 . A Yes. And what would happen would be you would  
591 have, for instance, Robert Jenson would come in and say how  
592 Terry had helped him and how we were very gratified that  
593 people like him would come in and say this technique Terry  
594 used was exceedingly successful.

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595 RPTS DOTSON

596 DCMN PARKER

597 Q How did you get lists of people to invite to these  
598 briefings or how did you develop an invitation list?

599 A All the names, of course, were at MCPAC, and we had  
600 files and files and files of names. I would decide, for  
601 instance, if we were going to have a campaign in that state  
602 we would try to get a lot of people from that state to come  
603 to Washington. If we had some donors in that state, of  
604 course we would try to get them. If we had prospects in  
605 that state who had given small contributions but could give  
606 big contributions, we would try to get them to come to  
607 Washington, and we had an awful lot of referrals, people  
608 wanting to come, calling Terry--what are you doing, and we  
609 would say the next briefing we have, why don't you come.

610 Q You mention that you developed a group of, I  
611 believe, 150 donors--

612 A Ultimately.

613 Q --who contributed more than \$5,000?

614 A I think it is more now, by the way.

615 Q But that period of time.

616 A Yes.

617 Q Is that the group that you considered your official  
618 family that you would keep in touch with--

619 A Try.

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620 . Q And would you go back to them seeking additional  
621 contributions on a periodic basis?

622 A Well, you would go back to them and ask--once they  
623 had given their \$5,000, you would ask them if they would  
624 help you, since they were so committed and so devoted, could  
625 they help you get other contributions from their friends,  
626 their wives and they very often did. Most of the time they  
627 did. It was a lot of people who eventually realized a  
628 family of 150 people is also too much. So we hired other  
629 people for--I hired Brent Bozell, for instance, and taught  
630 him what I knew to the best of my knowledge about fund-  
631 raising.

632 . Q You mentioned that Mr. Dolan had several different  
633 organizations. You mentioned there was a lobbying  
634 organization and also a foundation. What did you  
635 understand to be the reason for the different organizations  
636 that he had?

637 A It was quite clear the need to engage in different  
638 types of political activities, and he had a lobbying  
639 organization in order that they could advance the cause of  
640 the peace legislation. He had PACs in order that he could  
641 participate in direct political action, partisan political  
642 action.

643 . Q Did the tax laws have any bearing on the reason for  
644 these different organizations to your understanding?

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645 . A Each organization has different tax laws.

646 . Q Did you understand that any contributions to any of

647 Mr. Dolan's organizations were tax deductible?

648 . A Oh, yes, his foundation activities were deductible.

649 Then.

650 . Q What sorts of activities did the foundation pursue?

651 . A It had training schools. It did, I think, some

652 films, and I think it printed--I wasn't involved in some of

653 this so I am not going to remember very much, but I think it

654 did a lot of printing information.

655 . Q Did it engage in any public education campaigns?

656 . A I don't remember that it did at that time. It has

657 since, but not while I was there.

658 . Q Was Barbara Newington one of the NCPAC donors that

659 you dealt with?

660 . A No.

661 . Q Was Ellen Garwood?

662 . A They were donors, but I didn't deal with <sup>her</sup> ~~them~~.

663 . Q Did you consider them part of your family at that

664 time?

665 . A Mrs. Newington, no.

666 . Q Mrs. Garwood.

667 . A Yes.

668 . Q May King.

669 . A No.

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670 Q ~~Dr.~~ Munt?

671 A Yes. Again, all of these people may have given to  
672 MCPAC, but I was not dealing with <sup>many of</sup> them.

673 Q Fred Sachar.

674 A No.

675 Q Mr. and Mrs. Warm?

676 A No.

677 MS. MORRISON: Can I just interject here for a  
678 second? Since we are starting to get into some of the names  
679 we recognize as being relevant to the issues I know you are  
680 going to focus on, I have got to point out one thing that  
681 hopefully will guide your questioning in terms of the  
682 formulation of certain questions to Mr. Channel|.

683 We are obviously here, as we were for our last  
684 interview with you, prior to immunity grants from the  
685 committees. As you know, however, we also have been  
686 cooperating with Mr. Walsh's office in connection with Mr.  
687 Channel's plea. Pursuant to that cooperation, Mr. Channel|  
688 was asked specifically not to observe, directly or  
689 indirectly in any way, the testimony of anybody who has  
690 appeared here pursuant to immunity and whose testimony was  
691 given publicly.

692 I mention that only because, having complied with  
693 that directive, Mr. Channel| would not want you to, by your  
694 questioning, to give him information about what some of

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695 those people like Mrs. Garwood, Lieutenant Colonel North or  
696 others, information he scrupulously avoided learning about.  
697 I wouldn't want you to, through your questions, deliver to  
698 him information he otherwise wouldn't want to have.

699 . If you could keep that in mind, I would appreciate  
700 it.

701 . BY MR. FRYMAN:

702 . Q Let me ask you one other name about the  
703 contributors to MCPAC. Was John Ramsey one of the  
704 individuals you dealt with?

705 . A Yes.

706 . Q How were you compensated at MCPAC, Mr. Channell?

707 . A I was given a base salary for, I think, a year or  
708 two, and then I was given a bonus arrived at through an  
709 incredibly complicated formula which I have never figured  
710 out.

711 . Q Was the bonus related in any way to the amount of  
712 money that you raised?

713 . A Yes. It was over--I know that it was a certain  
714 amount, and I would get a bonus above that amount. The  
715 bonus would begin <sup>when</sup> and I had hit a certain level.

716 . Q In the years 1979 and 1980 and 1981 and 1982, did  
717 your income from MCPAC in any of those years ever exceed  
718 \$100,000?

719 . A No.

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720 Q When did your work in raising funds for MCPAC of  
721 the sort that you have been describing come to an end?

722 A Pretty much at the end of 1982. I went out on my  
723 own to start my little consulting firm between the end of  
724 1982 and 1983 and I gradually phased out working as a  
725 consultant. I gave up my position and gave up--I gave up my  
726 position, full-time position, and became a consultant.

727 Q You continued in this same work at MCPAC until the  
728 end of 1982.

729 A I think so, yes.

730 Q What was the reason that you decided to leave  
731 MCPAC?

732 A I found that the work was extremely time-consuming.  
733 It was now getting to be very repetitive. I felt that  
734 Terry was ignoring a lot of the foreign policy issues that  
735 were coming out, and I had had many discussions with him on  
736 foreign policy and national security issues, and he didn't  
737 seem at all interested, and I just decided that I was burned  
738 out and I had done as much as I could do, and as this type  
739 of work, when you work in elective politics all the time, is  
740 very repetitive and I asked him what he planned to do in  
741 1984. He said nothing new.

742 I began to think, well, I just don't think I want  
743 to stay around anymore.

744 Q So you effectively left at the end of 1982.

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745 . A Yes. I think I was on a consultant basis to him  
746 for a while afterwards.  
747 . Q You mentioned you started your own consulting  
748 company.  
749 . A Yes.  
750 . Q What was that company?  
751 . A It was called the Channel Corporation.  
752 . Q Where was that based?  
753 . A On Connecticut Avenue here.  
754 . Q What were the objectives of the Channel  
755 Corporation?  
756 . A We advised people on fund-raising, how to do it.  
757 Sometimes we would try to help. We would be contracted to  
758 maybe write a fund-raising perspective, try to have an event  
759 or something like that.  
760 . Q Would you be retained by candidates for public  
761 office?  
762 . A I could be, yes.  
763 . Q What would be another example of a type of client?  
764 . A That would have either been somebody in office or  
765 running for office or doing a fund-raiser, like an event,  
766 just focusing on the event rather than a long-term  
767 candidate.  
768 . Q So you could be retained by an organization as  
769 opposed to a candidate?

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770 A That's right.

771 Q And how were you compensated for these services?

772 Was that on a negotiated fee basis?

773 A Yes.

774 Q That was the general--

775 A Yes.

776 Q Were you ever negotiated on the basis of a

777 percentage of the amount of funds raised through some--

778 A I don't think so. I think it was just work hours.

779 We just billed for work hours.

780 Q Now, you effectively started this operation in

781 early 1983; is that correct?

782 A Yes.

783 Q After one year of its operation, were you satisfied

784 with the results?

785 A No. I decided that this was just--I didn't think

786 this was going to work out.

787 Q What was the reason for your dissatisfaction?

788 A There was a real lack of appreciation among my

789 clients for my style of fund-raising and retention of people

790 and cultivating people. I think the clients were rather

791 interested in getting some money and moving on to something

792 else, and that we were far too small--it was a little busy--I

793 only had two employees--to do that.

794 Q Who were your employees, by the way?

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798 Q What were their responsibilities?

799 A Just to answer the phone, basically.

800 2 So basically during 1983 the Channell Corporation  
801 was a one-man business with some support staff?

802 A Yes.

803 . 2 At the end of that year you were not satisfied with  
804 the results of the year, and my next question is, what did  
805 you decide to do?

806 A Well, in early 1984, I organized the American  
807 Conservative Trust, which was a Federal political action  
808 committee, and, after that, the National Endowment for the  
809 Preservation of Liberty, which is our foundation. The  
810 Federal PAC came first and the foundation came later.

811 Q What was the reason for organizing those two  
812 entities?

813 . A I decided that I felt that we should be supporting  
814 conservative candidates for office who were challengers, .  
815 that incumbents were by far getting so much money. The  
816 challengers were having a very difficult time of getting any  
817 money, and we were going to try to do that and that we might  
818 try to do some independent expenditures on issues that NCPAC  
819 was not interested in that I felt, foreign policy issues,

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820 that very possibly we should be concentrating on, as well as  
821 domestic issues.

822 There were ~~some~~ <sup>50 million</sup> people out there working on  
823 domestic issues that the ~~House~~ was already full. There were  
824 not many people working on foreign policy issues at all, and  
825 so I felt that we might appeal to the American people in a  
826 different way than was already out there. And then with the  
827 foundation, of course, my goal with the foundation was to  
828 educate the American people mostly on foreign policy issues.

829 Again, I didn't think there was much activity on  
830 that. But there was a need for it.

831 Q So from the beginning, the objective of the  
832 foundation was public education efforts?

833 A On foreign policy.

834 Q On foreign policy?

835 A Right.

836 Q And the foundation was the National Endowment for  
837 the Preservation of Liberty?

838 A Right.

839 Q Now, was this organized as what is known as a  
840 501C3?

841 A The foundation.

842 Q What did you understand was the purpose of  
843 organizing it in that fashion?

844 A I mean that's the IRS designation for foundations.

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845 Q That would permit donors to take a tax deduction  
846 for contributions to the foundation?

847 A Sure.

848 Q Whereas, would contributions to the American  
849 conservative trust also be tax deductible?

850 A No. It is a Federal PAC.

851 Q That's a PAC. So the two organizations in your  
852 plan would pursue different types of activities. Is that  
853 correct?

854 A They did. And that is the law.

855 Q Who advised you on the legal aspects of this?

856 A One of my current attorneys, Kurt Merga.

857 Q M-E-R-G-E.

858 A Yes. He has been our attorney in these matters  
859 since the very beginning, his firm.

860 Q Did you consult with Mr. Dolan, Mr. Terry Dolan,  
861 about establishing the national endowment, which I will  
862 refer to as its initials, NEPL, or the American Conservative  
863 Trust?

864 A Did I consult with him?

865 Q Yes.

866 A I have talked to him about it.

867 Q Did you consult with him before you organized them  
868 about your plans for these two entities?

869 A I am not sure about ACT, but we discussed NEPL

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870 several time

871 2 Did you discuss with Mr. Dolan any way that NEPL  
872 might coordinate its activities with the activities of  
873 NCPAC?

874 A No. The only thing I remember him saying quite  
875 clearly to me was this is going to fail. Nobody is  
876 interested in foreign policy issues. So I said, "You are  
877 wasting your time."

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878 RPTS MCGINN

879 DCMN SPRADLING

880 [12 00 noon]

881

882 Q When you established NEPL with an objective of  
883 public education campaigns on foreign policy issues, did you  
884 have any particular issues in mind?

885 A Well, then, of course, everything the Russians were  
886 doing was the focus. Soviet expansion, that umbrella, was  
887 really the focus, what to do about Soviet expansionism.

888 Q After you founded ACT and NEPL in 1984, what did  
889 you do with these organizations in 1984?

890 A Well, we just barely got them going. We raised a  
891 little money in the '84 election for my PAC. I don't think  
892 it was even a hundred thousand dollars. And I'm not even  
893 sure we raised that much for our foundation. We decided  
894 that we would do a study of American history textbooks to  
895 see how they treated foreign policy issues since World War  
896 II. We were very interested in the Conservative Opportunity  
897 Society and Newt Gingrich's ideas. We, as I said,  
898 participated a little bit in the national election in 1984.  
899 We didn't even get out a mailing, for instance, I don't  
900 think even April or May of '84 which is very, very late. No  
901 one had heard of it.

902 So we just sort of crawled along. We didn't really

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903 | get started in the foundation until late 1984 and the PAC  
904 | activities were small.

905 |           But I felt in running my own organization and  
906 | focusing on the issues that I thought we should be focusing  
907 | on. I was much more comfortable with what was going on and I  
908 | did find that people--there was an interest out there. They  
909 | might not be going to give me any money immediately, but  
910 | there was definitely an interest out there which I had  
911 | heretofore not known. ~~I had felt it but I had not known~~  
912 | ~~me.~~

913 |       Q    Did the foundation or NEPL sponsor any television  
914 | advertisements in 1984?

915 |       A    I don't think we did.

916 |       Q    What was the first TV advertisement that NEPL or  
917 | ACT either sponsored?

918 |       A    I think the first ones probably were in '85. I  
919 | think--I could be wrong but other than doing just maybe one  
920 | add for something, a small campaign was mounted in I think  
921 | March, April and May of 1985 to support the President on the  
922 | freedom fighter aid bill.

923 |       Q    We will come to that in a minute, but it's your  
924 | recollection that that was the first television  
925 | advertisement?

926 |       A    Yes, sir.

927 |       Q    Did ACT or NEPL sponsor any newspaper

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928 advertisements in 1984?

929 A We sponsored some get out to vote messages for  
930 people and then near the inauguration we sponsored some ads  
931 on Organization President Reagan.

932 Q What was the nature of those ads?

933 A People wrote in little messages of congratulations  
934 and we printed them.

935 Q In what papers did you print them?

936 A In the Washington Post.

937 Q And was that in January of 1985?

938 A Yes, the 20th or 19th, very close to inauguration  
939 day. Wasn't the 20th on Sunday or something like that, the  
940 last one? You don't remember?

941 MR. OLIVER: I think the 21st was the holiday

942 THE WITNESS: It was sort of screwy. Anyway, real  
943 close to the inauguration we had these ads.

944 BY MR. FRYMAN:

945 Q Was that one of the major expenditures for the  
946 foundation, the ads?

947 A They weren't foundation ads.

948 Q They were ACT ads?

949 A Oh, yes, political ads.

950 Q Was that one of its major expenditures of the funds  
951 that had been raised in 1984?

952 A During that whole year-and-a-half that was probably

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953 | the largest single one, definitely.

954 |       Q     So am I correct then that NEPL in 1984 did not  
955 | engage in any public education campaign on a foreign policy  
956 | issue?

957 |       A     Not by radio or television. We sent out pamphlets.

958 |       Q     You were more or less getting organized in 1984.

959 |       A     Oh, yes.

960 |       Q     And at the beginning of the Reagan Administration

961 | ACT ran a series of newspaper ads or was--

962 |       A     On inauguration day.

963 |       Q     On inauguration day.

964 |       A     That's right.

965 |       Q     And ACT had made some contributions to--

966 |       A     Various candidates.

967 |       Q     --various candidates in the 1984 elections.

968 |       A     Right. In fact, we had so little money--thank you  
969 | for bringing this up. My goal of getting to put together an  
970 | independent expenditure campaign was never realized because  
971 | I never had enough money to do it.

972 |       I just started too late. That's all.

973 |       Q     Was there any particular response that you remember  
974 | to the series of ads that you ran at the time of the  
975 | inauguration?

976 |       A     Any particular response? Do you have anyone in  
977 | mind?

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978 . Q Well--

979 . A I was real happy with them.

980 . Q Is it your understanding that the inauguration ads

981 was the reason for you being contacted about participating

982 in the Nicaraguan Refugee Fund dinner?

983 . A Yes. I think that was the trigger. The woman who

984 invited me to be a participant in that dinner had seen the

985 ads.

986 . Q Who was that person?

987 . A A Mrs. Edie ~~Frazier~~ <sup>Frazier</sup>.

988 . Q When did she contact you?

989 . A I think it was in January, very close after the ads

990 appeared.

991 . Q What did she say to you when she contacted you?

992 . A That would I like to participate in an activity for

993 the President to raise money for Nicaraguan refugees and be

994 on the dinner committee and help sell tables and so and so

995 and I said yes, that would be delightful.

996 . Q Had you been aware of the organization of this

997 dinner prior to her call to you?

998 . A No.

999 . Q Had Central America and Micaregua been a foreign

1000 policy issue that had been of particular interest to you

1001 prior to the call from Mrs. Frazier?

1002 . A No.

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1003 . Q What was the nature of your involvement after the  
1004 call from her?

1005 . A Ninety percent of it was going to the meetings at  
1006 her office and as any dinner committee does, you talk about  
1007 who you know and who they should send invitations to and  
1008 what type of person should be invited to give higher money  
1009 to come to the reception or the special briefing that they  
1010 were going to have and how many groups do you know who could  
1011 also come in to help sell tables, and that was every week.

1012 . Q When was the dinner held?

1013 . A The 15th of April, 1985, having been postponed  
1014 once.

1015 . Q And between late January, 1985 and the date of the  
1016 dinner, you participated in a number of meetings with Mrs.  
1017 Frazier and others?

1018 . A Twenty-five or thirty others.

1019 . Q Twenty-five or thirty. Now you have described  
1020 coming up I guess with proposed invitees to the dinner?

1021 . A We all did.

1022 . Q What else did you do besides that?

1023 . A Well, we got invitations sent to these people. I  
1024 wanted our foundation to give a gift itself mainly because  
1025 we had several donors who said they wanted to be anonymous  
1026 and they thought it would be nice if my foundation gave a  
1027 gift and they would remain anonymous. They didn't want to

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1028 be on any dinner committee. They didn't want to be called  
1029 again. I think probably the fear was, you know, I will give  
1030 money. My name will get out. At 2 a.m. next Monday morning  
1031 somebody about this issue is going to call me from a phone  
1032 bank someplace in Sacramento and away we go.

1033 . This is one of the major reasons why people give  
1034 through other people and also give anonymously now-a-days.  
1035 It didn't use to be that way, but it's now. And so we want  
1036 to work to raise money in our foundation for some grants to  
1037 the Nicaraguan refugees as well as--or the dinner, as well as  
1038 selling the tables for the dinner.

1039 . 2 Was the work for this dinner what developed your  
1040 interest in the subject of Nicaragua and Central America  
1041 originally?

1042 . A Well, of course everybody knows something about  
1043 Nicaragua. They know the experience we have had with it  
1044 recently. I was aware that it was down there and I was  
1045 aware that the Soviets were doing a lot down there. I was  
1046 aware that the Carter policy of trying to work with these  
1047 revolutionaries and maintain--you may have heard this  
1048 statement before--find the moderates in the regime and work  
1049 with them for the future had probably failed, and that I was  
1050 also aware that some of the terrorism was coming out of  
1051 Nicaragua.

1052 . But I really hadn't focused on the essential

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1053 characteristics of Nicaragua as a burgeoning communist  
1054 state. This experience, talking to people who were from  
1055 there coming up to see us, preparing for the dinner, reading  
1056 the literature that was sent over so we could talk to people  
1057 about it really opened my eyes considerably, considerably.

1058 Q Did you participate in some briefings at the White  
1059 House in preparation for this dinner?

1060 A Well, there was an initial briefing at the White  
1061 House before I was invited to participate in this dinner  
1062 that I was asked to go to. But there were no briefings at  
1063 the White House afterwards before the dinner that I  
1064 attended.

1065 Q So the initial briefing was in January?

1066 A Yes.

1067 Q When you spoke to various conservative contributors  
1068 about this issue of Nicaragua and Central America, did you  
1069 find a strong response among that group?

1070 A Well, I was surprised. I found that almost  
1071 everybody I talked to had been giving to other people in  
1072 regard to Nicaragua for some time, that this issue was on  
1073 their minds much more intensely than it had been on mine,  
1074 that many of these people were very well informed and I was  
1075 a little bit embarrassed, frankly. Ellen Garwood is a  
1076 walking encyclopedia of what has happened in Nicaragua the  
1077 last hundred years in detail.

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1078 . Q And she's someone you contacted in early 1985 after  
 1079 Edie ~~Frazier~~ <sup>Frazier</sup> called you?

1080 . A Yes. I think she may have given some money. She  
 1081 didn't participate or anything. But she listed for me five  
 1082 or ten organizations she was giving money to for Nicaragua,  
 1083 and had been for years, and people that she knew that were  
 1084 involved in that. I frankly was a little bit embarrassed  
 1085 and I also realized that I was going to have to learn a lot,  
 1086 that this was an issue where interestingly enough,  
 1087 conservatives were very well informed and my hunch was  
 1088 right. They were very interested in foreign policy and I  
 1089 was coming at this now real unprepared.

1090 . Q When had you originally met Mrs. Garwood?  
 1091 . A I met her in 1979 or '80 at a ~~NCPAC~~ <sup>NCPAC</sup> meeting.

1092 . Q And she had been one of the contributors you had  
 1093 dealt with at ~~NCPAC~~ <sup>NCPAC</sup>?

1094 . A Yes. She had been giving to them from the  
 1095 beginning of that organization, which I think was in '74,  
 1096 '75. She was well known to Terry Dole, and even when I  
 1097 began--I mean I heard her name four or five years before I  
 1098 ever spoke to her.

1099 . Q And she is one of the persons you had kept in  
 1100 regular contact with?

1101 . A Yes. She was very interested in foreign policy and  
 1102 that had piqued my interest after I had first met her when

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1103 we talked. All she talked about was national defense and  
1104 foreign policy. She wasn't--seemed oblivious to the domestic  
1105 concerns, which most conservatives are quite interested in.  
1106 Q Did you develop what you considered a personal  
1107 friendship with Mrs. Garwood?  
1108 A Yes, very much so.  
1109 Q By early 1985 that had developed?  
1110 A Yes. I would say she would have called me her  
1111 friend by 1985.  
1112 Q When she would be in Washington as a matter of  
1113 course would you normally see her?  
1114 A No.  
1115 Q On occasion would you see her?  
1116 A Once in a while. But we weren't that friendly at  
1117 that point. In fact, I didn't see her in Washington. I  
1118 don't think, until late June or early July of 1985 for the  
1119 first time in 1985, the year was half over.  
1120 Q Was there a time when you drove her around to look  
1121 at the cherry blossoms?  
1122 A Well, I don't know whether I drove her or maybe I  
1123 did. I am real proud of them. I think of seven or eight  
1124 people if they were here I would show them the cherry  
1125 blossoms.  
1126 Q But I mean do you recall that Mrs. Garwood had  
1127 never seen the cherry blossoms before and you showed them to

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1128 her?

1129 . A Oddly enough, I don't remember that. I can think  
1130 of three other people that I do very clearly remember. I  
1131 don't remember that with her but that's very possible  
1132 because I would have wanted to do something like that for  
1133 anybody, as I say.

1134 . Q Well, going back to early 1985, you contacted Mrs.  
1135 Garwood after you had been in touch with Edie Frazier  
1136 concerning the refugee dinner?

1137 . A Yes.

1138 . Q You learned from her she was very interested in the  
1139 subject of Nicaragua and Central America.

1140 . A Yes.

1141 . Q Were there other persons that you contacted where  
1142 you found a similar interest?

1143 . A Oh, yes. When I talked to Bunker Hunt I found that  
1144 he was well informed, extremely well informed, and--let's see  
1145 who else of that group. I talked to the Mills down in  
1146 Texas. I found they were very well informed.

1147 . Q What is the Mills?

1148 . A It's a family down there.

1149 . Q What's the first name?

1150 . A Al, Albert I guess. They were very well informed.  
1151 When I talked to Mrs. Newington--I actually didn't talk to  
1152 her. Cliff Smith talked to her. He came back to me with a

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1153 tremendous amount of information about Nicaragua that he had  
 1154 learned that I didn't know about either, that she was well-  
 1155 informed. So I decided during this period I decided that I  
 1156 was definitely on the right track but I was after a huge  
 1157 bear though with a plastic trap. I wasn't at all prepared  
 1158 for this.

1159 . But this was definitely something that people  
 1160 were--good, strong conservatives, had become well-informed  
 1161 about and were extremely concerned about and wanted to act  
 1162 on. But I hadn't heard anything about it in the Washington  
 1163 papers and seen very little of it anywhere else. It was a  
 1164 surprise to me.

1165 . Q Also did you conclude that this was an issue that  
 1166 they probably would be prepared to contribute money for?

1167 . A Oh, yes. You must understand that many of these  
 1168 people look at participation in American politics beyond  
 1169 voting as something if they can help financially. This is  
 1170 part of their participation and if they are truly interested  
 1171 in a subject, it means I'm not doing this because I'm bored  
 1172 to death. I want action on this. All of my contributors  
 1173 are very action-oriented. In fact, they have been  
 1174 characterized quite accurately I think in the newspaper as  
 1175 warriors. They are somewhat ill at ease at a time of peace,  
 1176 I gather. They are very activist, very activist-oriented.

1177 . Ellen Garwood has called me at midnight about a

Ellen

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1178 conversation which she has just finished with somebody else.  
1179 I have a lot of people who have done that regarding some  
1180 issue and it's really inspiring. It's very inspiring.  
1181 Q Going back to the organization of NEPL in early  
1182 1985, you mentioned Cliff Smith. Had Mr. Smith become an  
1183 employee of NEPL by early 1985?  
1184 A Yes, '84 he was--like in August of '84 he was either  
1185 working part-time or full-time.  
1186 Q Was he your first employee at NEPL?  
1187 A No. No, I don't think so.  
1188 Q I mean other than a secretary or someone as a  
1189 support staff.  
1190 A He was the first serious fund raising person other  
1191 than secretary types, yes.  
1192 Q And in January, 1985, was he the only fund raiser  
1193 type employee of NEPL?  
1194 A I think so. We later on hired some other people  
1195 who came and went. I'm not sure I could give you the  
1196 chronological order of each but he was the permanent, was  
1197 becoming the permanent one. Not necessarily NEPL. I mean  
1198 he was an employee for ACT. He did political work for ACT  
1199 in '84 and then in '85 he did work for NEPL.  
1200 Q All right. Now did you also in early 1985 enlist  
1201 the assistance of Dan Conrad?  
1202 A Well, I brought him to Washington to be an

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1203 assistant to Edie Frazier as help for Edie Frazier and he  
1204 was interested in coming to Washington for a little while  
1205 He was doing some work or had some dealings here with some  
1206 other corporations. I think Public Broadcasting was  
1207 something--he was working out something with them and he said  
1208 he would come to Washington and help work with this dinner  
1209 to make it a success. Later on in the spring I asked him to  
1210 stay in Washington and help me and I think he started that I  
1211 think in late March or early April, right before the dinner  
1212 occurred he started working with me.

1213 Q But during the period February-March when he was  
1214 primarily working on the dinner, he was not being paid by  
1215 you?

1216 A No.

1217 Q But he was being paid by Mrs. Frazier's group?

1218 A Yes.

1219 Q Is that your understanding?

1220 A Or nobody. He might have been paid by nobody.

1221 Q And Mr. Conrad at that time was based in San  
1222 Francisco?

1223 A Yes.

1224 Q And he had his own company in San Francisco?

1225 A Yes.

1226 Q What was the name of his company?

1227 A It's Public Management Institute, PMI.

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1228 . Q And you asked him in late March or April to stay in  
1229 Washington and work with you at NEPL?  
1230 . A For a while.  
1231 . Q For a while.  
1232 . A Uh-huh.  
1233 . Q Now, was that--  
1234 . A I fully intended that he would, you know, early  
1235 summer go home.  
1236 . Q Was that in the role as an employee or did you  
1237 retain him or his company as a consultant to NEPL?  
1238 . A We worked out a consultant arrangement.  
1239 . Q In April of 1985 were Mr. Smith and Mr. Conrad the  
1240 only persons associated with NEPL in a professional  
1241 capacity?  
1242 . A I think so.  
1243 . Q You mentioned a couple of times when you called  
1244 conservative contributors you found they were much better  
1245 informed about Micaragua than you and you felt you needed to  
1246 learn about the subject of Micaragua and Central America.  
1247 . How did you go about doing that?  
1248 . A Well, of course the experience of the dinner and  
1249 getting that literature and talking to people who came for  
1250 that, that was part of it, and then when we finally met--not  
1251 finally. When we met Rich Miller we were engulfed by  
1252 expertise in the Central America, Nicaraguan issue.

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1253 | delightfully so.

1254 |       Q     Did you contact anyone at the White House about  
1255 | developing information on Nicaragua?

1256 |       A     Well, after, when the dinner was fairly on the way  
1257 | and during the debate here on Capitol Hill, I realized that  
1258 | maybe there was a political dimension to this Nicaraguan  
1259 | issue which I hadn't thought of or it's very possible that I  
1260 | began to see the political dimension that was there that I  
1261 | hadn't seen before, and so I've got to ask you to help me  
1262 | with his name--what's his name at the White House?

1263 |       Q     Was it Ed Rollins?

1264 |       A     No.

1265 |       Q     Was it John Roberts that you talked with?

1266 |       A     Yes, that's right, John. I had actually called Ed  
1267 | Rollins' office. I had met Ed twice before in my life and I  
1268 | wondered if he ever remembered so I called for him and said  
1269 | I would like to talk to somebody about doing something to  
1270 | help with the Nicaraguan issue. They were debating on  
1271 | Capitol Hill at that time about the vote, is there anything  
1272 | we can do. Whoever the secretary was said oh, yes. We will  
1273 | get back to you and finally he called and said I wanted to  
1274 | meet with him quickly and snoop to find out what was going  
1275 | on and if there was a way we could help, and John said that  
1276 | he would meet us for lunch somewhere and talk to us about  
1277 | this issue. I didn't know anybody else to call at the White

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1278 House at all. Since we were so new in the political  
 1279 business ourselves, I knew that nobody knew who we were so  
 1280 we took him out to lunch over at Duke Zeiberts.  
 1281 Q Who is he?  
 1282 A Dan Conrad and I. Took him out to lunch and at  
 1283 that time he told us what the situation was on Capitol Hill  
 1284 and the debate and what the prospects looked like and what  
 1285 some of the issues were. I really was ignorant about so  
 1286 much of this. I didn't even know how the coalitions on  
 1287 Capitol Hill broke down. And I wasn't even sure what the  
 1288 President was doing. In fact, the amount of money for  
 1289 humanitarian aid kept escalating and declining. I wasn't  
 1290 sure where the President was on that issue.  
 1291 So he said to us during lunch that--he said if you  
 1292 want to know where to go you should go to see IBC, ~~this~~ <sup>these</sup>  
 1293 fellow Rich Miller and Frank Gomez. They are the White  
 1294 House--outside the White House on this issue. And I know  
 1295 that other people, Dan Conrad had said they are something  
 1296 else because he has said it to me at some times. White  
 1297 House out of the White House stuck in my mind because I  
 1298 thought that was a graphic description of the competence of  
 1299 these people, the expertise of these people.  
 1300 He said--he did not make any other suggestion. He  
 1301 didn't say go see this person, this person or this person or  
 1302 IBC. He said go see Rich Miller.

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1303 . Q Did he explain why he believed they were so  
1304 knowledgeable on this subject?

1305 . A No. He just said these were the people who could  
1306 answer our questions, help us get involved with the freedom  
1307 fighters. They were in contact with everybody and that's  
1308 where we should go.

1309 . Q The initials IBC stand for International Business  
1310 Communications; is that correct?

1311 . A Yes.

1312 . Q Did Mr. Roberts indicate that that company or Mr.  
1313 Miller or Mr. Gomez had had--had been performing any services  
1314 for the State Department?

1315 . A I do not recall him ever saying that.

1316 . Q Did he in that conversation use any phrase such as  
1317 they were a front for some other entity?

1318 . A No. I don't remember that.

1319 . Q You don't recall that?

1320 . A No.

1321 . Q Was this luncheon the first time you had met Mr.  
1322 Roberts?

1323 . A Yes.

1324 . Q Did he say how he knew Mr. Miller?

1325 . A He mentioned that they had worked in the campaign  
1326 together. I can't remember what they did together but they  
1327 worked in the campaign together.

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1328 . Q What did you understand Mr. Roberts' position to be  
1329 at the White House at that time?  
1330 . A One of Ed Rollins' assistants.  
1331 . Q And Mr. Rollins was what?  
1332 . A The political director.  
1333 . Q Did he mention anyone other than Mr. Miller and Mr.  
1334 Gomez as a source for you to obtain information about  
1335 Nicaragua?  
1336 . A Not to my memory he didn't.  
1337 . Q Did he suggest that you contact them?  
1338 . A Well, other than saying if you really want to find  
1339 out about this you should-he didn't push it or anything. He  
1340 just said those are the people. That is where the expertise  
1341 sits and if you want to help and if you want to know how to  
1342 help and want to know about Nicaragua, they are the people  
1343 who can help you.  
1344 . Q Was there any discussion at this luncheon about  
1345 whether they would charge for helping you?  
1346 . A I don't recall that at all.  
1347 . Q Did you indicate that you would like to get in  
1348 touch with them?  
1349 . A Oh, yes.  
1350 . Q Did you ask him to make a call?  
1351 . A I think I did ask him, feeling of course that we  
1352 were unknown. I was unknown in Washington. I asked him if

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1353 he would call and tell them we would like to come and see  
1354 them. I had no idea--I didn't remember at that time that I  
1355 had even met him before, but I had.

1356 Q Who are you referring to?  
1357 A Rich Miller.  
1358 Q Right.  
1359 A And I think he said he would call and say we were  
1360 interested in Nicaragua and would they see us.

1361 Q And you did then meet with Mr. Miller and Mr.  
1362 Gomez?  
1363 A Shortly thereafter.  
1364 Q Was it the same day?  
1365 A Might have been.  
1366 Q Where was that meeting?  
1367 A In their offices.  
1368 Q And was that you and Mr. Conrad?  
1369 A Well, I think Dan went over first and I either saw  
1370 them that day or very shortly thereafter myself. I know  
1371 that Dan had the initial meeting with them.

1372 Q What was the reason for the initial meeting with  
1373 Mr. Conrad?  
1374 A I must have had something else to do.  
1375 Q Nothing more than that?  
1376 A No.  
1377 Q What do you recall about your first discussion with

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1378 Mr. Miller and Mr. Gomez?

1379 . A That again I was coming at this from a neophyte  
1380 position--I was very impressed with what they knew, who they  
1381 knew. They knew an awful lot of people whose names I never  
1382 heard of but they said this person is this in the Democratic  
1383 Resistance and this person does this and this person handles  
1384 this and they knew a great deal about the politics of Latin  
1385 America in detail. They knew the history of our involvement  
1386 in detail. They knew the people in Washington who were  
1387 working with the President and against the President, and  
1388 all the politicians seemingly in great detail.

1389 . They knew--I was just very impressed. I felt that  
1390 John Roberts had been absolutely right, that these people  
1391 indeed did hold tremendous expertise and depth on this  
1392 issue.

1393 . Q Did they indicate in the initial conversation or  
1394 one of the initial conversations that they had been engaged  
1395 by the State Department to perform services relating to  
1396 Central America?

1397 . A No.

1398 . Q Did you ever learn that?

1399 . A I know now.

1400 . Q When was the first time you became aware of that?

1401 . A Sometime last year at the earliest, late last year  
1402 at the earliest.

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1403 . Q In the fall of 1987?

1404 . A Six.

1405 . Q Fall of 1986.

1406 . A Yes. I wasn't aware of that during our

1407 relationship. We had a lot to do with the State Department.

1408 He knew a lot of people there and he talked to us. I mean

1409 he sent us over there for a briefing, for instance. He knew

1410 people in the State Department very well and he talked about

1411 that frequently. He may have said at one time we have a

1412 contract with them, but if he did, it didn't hit. And then

1413 late last year when I did find out it did hit. I mean I did

1414 recall it.

1415 . But he had a lot of contacts. Frank Gomez I guess

1416 had worked at the State Department for a long time. They

1417 knew a lot of people in the State Department and to say we

1418 are going over to the State Department and get this, we are

1419 going to have a meeting over there, they did a lot of that,

1420 but I don't remember them saying for the longest time we

1421 have a contract with the State Department.

1422 . Q You were impressed with Mr. Miller and Mr. Gomez'

1423 knowledge in the initial meeting about Central America?

1424 . A Very much so.

1425 . Q Did they provide you any written materials?

1426 . A Yes.

1427 . Q Was there any discussion of a consulting

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1428 arrangement with their company?

1429 . A Yes. When I was there.

1430 . Q This was the first or second time that you met with

1431 them?

1432 . A Yes.

1433 . Q Did you make a proposal or did they make a

1434 proposal?

1435 . A I asked them if they would help us.

1436 . Q What did you ask them to do?

1437 . A Well, I told them that I wanted to help the

1438 President if we could and that I had a foundation and I had

1439 a political action group and would they like to work with

1440 one of those, that I figured that we were going to do

1441 something eventually on this issue in both <sup>houses</sup> ~~houses~~ but that

1442 the vote in Congress was coming up and would he like--would

1443 Rich like to have a contract with my political group to help

1444 us do something. We were not sure yet what we wanted to do.

1445 but to help us if, if we were going to do newspaper ads,

1446 radio ads or television ads, would he like to help us do

1447 that. And I think the agreement was like a 30-day renewable

1448 agreement or something.

1449 . I actually wasn't sure <sup>how</sup> ~~who~~ far it would go,

1450 frankly. And they said yes, they would be glad to help us

1451 and tell us who we should see for film. They had some

1452 people in mind as to who could do the commercials for us. I

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1453 asked them specifically about that because the people who  
1454 had done the commercials for Terry were terrible. The  
1455 people were fine. The commercials were just not good.  
1456 Q Who did they propose?  
1457 A The Goodman people who turned out to be I think  
1458 very fine.  
1459 Q Now you say the initial understanding you believe  
1460 was a 30-day agreement or an agreement to cover a period of  
1461 30 days.  
1462 A Yes.  
1463 Q What was the dollar amount?  
1464 A I think it was \$5000 initially for part of a month  
1465 and then there were expenses involved.  
1466 Q And this was oral and not written?  
1467 A We may have gotten a written copy of it later, but  
1468 I don't remember that we--  
1469 Q I take it they continued to provide services to  
1470 your organization after the 30-day period.  
1471 A Well, we then contracted with them I think in May  
1472 to start working with MEPL because our political activities  
1473 on television ended and so we started working with them  
1474 through MEPL and then paying them through MEPL.  
1475 Q And was this a written agreement or an oral  
1476 agreement?  
1477 A I think we got a bill on that. They just invoiced

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1478 us every month.

1479 . Q Did you pay a set amount every month or did the  
1480 amounts vary?

1481 . A Well, I know we paid expenses but we also paid a  
1482 set amount.

1483 . Q A monthly fee.

1484 . A Yes, a monthly retainer.

1485 . Q What was the monthly retainer?

1486 . A I think it went up to 15,000 soon. I don't know  
1487 whether it was the second month or third month but very  
1488 shortly thereafter.

1489 . MR. FRYMAN: Do you want to break a little early?

1490 . MR. OLIVER: That's fine. My appointment is at 1.  
1491 . MR. FRYMAN: Do you want to break now and want to  
1492 try to be back as close as 1:30 as possible?

1493 . MR. OLIVER: Could we do it at 1:45? I need 45  
1494 minutes at least.

1495 . MR. FRYMAN: If we are going to--why don't we go a  
1496 few minutes more than if that's all right.

1497 . THE WITNESS: Go do it.

1498 . MR. FRYMAN: Can you go for five minutes more?

1499 . THE WITNESS: Sure.

1500 . BY MR. FRYMAN:

1501 . Q Mr. Channell, we have talked about the organization  
1502 of the American Conservative Trust in 1984 and the

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1503 organization of the National Endowment for the Preservation  
1504 of Liberty also in 1984. No, you I believe also established  
1505 other organizations; is that correct?

1506 . A Yes.

1507 . Q Would you identify the other organizations that you  
1508 established and the approximate ~~date~~ date when they were  
1509 established, and also give a brief description of the  
1510 function of each?

1511 . A Sure. I established Sentinel I think in <sup>1984</sup>~~1985~~. I'm  
1512 never clear on these dates because there is always a time  
1513 lag involved, putting these things together and then finally  
1514 getting the accreditation, but you could raise money for  
1515 them once you had requested the accreditation. So I'm  
1516 always sort of fuzzy here about exactly the moment when they  
1517 got accreditation.

1518 . Sentinel, which is a lobbying group. And then in  
1519 1985 we also established the American Conservative  
1520 Foundation, which was another foundation. That foundation  
1521 was going to do issues, frankly, that were more worldwide in  
1522 scope and interest. That was the ideal plan for that. And  
1523 as you know, in 19--mid-1986, I think it was June, as a favor  
1524 to Mrs. Newington we took over the management and the  
1525 control of Western Goals.

1526 . Q That had been an organization headed by Congressman  
1527 ~~McDonnell~~?

McDonald

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1528 . A Yes. Right.

1529 . MR. McGOUGH: What kind of organization was the  
1530 American Conservative Foundation?

1531 . THE WITNESS: It was a regular foundation.

1532 . MR. McGOUGH: 501C3?

1533 . THE WITNESS: Yes.

1534 . BY MR. FRYMAN:

1535 . Q Now did you change the Organization of Western  
1536 Goals after you took it over?

1537 . A Well, Linda Goodwell quit and--is that what you  
1538 mean?

1539 . Q No. Was there both a Western Goals Endowment and a  
1540 Western Goals Foundation?

1541 . A Fund. There was one organization and three  
1542 different bank accounts.

1543 . Q But to your knowledge there was only one  
1544 organization?

1545 . A Yes. In fact, I didn't even know the other two  
1546 bank accounts existed for about six months after we had  
1547 taken it over. I thought when people talked about Western  
1548 Goals Endowment Fund they meant Western Goals. All I was  
1549 focusing on was Western Goals. But there was an endowment  
1550 fund and then there was something else.

1551 . Q But so far as--

1552 . A But it was just two or three bank accounts

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1553 evidently.

1554 . Q So far as your are concerned the legal structure of

1555 Western Goals was not changed after you took it over. It

1556 remained the same legal structure?

1557 . A Yes, sir.

1558 . Q Going back to the American Conservative Trust that

1559 was founded in 1984, were there two separate funds under the

1560 American Conservative Trust?

1561 . A Yes, the state election fund and the federal fund.

1562 . Q But in terms of an organizational entity, it's one

1563 single organization?

1564 . A Right.

1565 . Q Is that correct?

1566 . A Right.

1567 . Q Now, other than Sentinel and the American

1568 Conservative Foundation, did you establish any other

1569 organization?

1570 . A Well, we put together legal papers for a consulting

1571 firm called Hill Potomac. It's not quite there yet.

1572 . Q It has never been a functioning entity?

1573 . A I think we have a bank account or maybe I made the

1574 check for the filing fee. Maybe that's what it is. But

1575 that's all.

1576 . Q Did you establish an organization called the Anti-

1577 Terrorist American Committee?

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1578 . A Oh, yes. That was a federal PAC that we  
1579 established in the spring of '86.

1580 . Q What was the reason for that?

1581 . A I thought that frankly, incorrectly, that terrorism  
1582 was going to become a major political issue in this country  
1583 of long-term duration. It has really not. And that there  
1584 were going to be tremendous ramifications domestically,  
1585 politically about this and there have not been. And we were  
1586 going to create an organization that really focused on  
1587 congressional attitudes toward terrorism and policies  
1588 associated with terrorism. It hasn't happened.

1589 . MR. McGOUGH: What kind of organization was that?

1590 . THE WITNESS: It was going to be a federal PAC.

1591 . BY MR. FRYMAN:

1592 . Q Was there also a state election fund with that?

1593 . A Yes. We would always do that.

1594 . Q Did you establish another organization called Grow  
1595 Washington?

1596 . A Almost. We paid the filing fee for that one, too,  
1597 and that was going to--I had really forgotten these because  
1598 we have never done anything with them. That was going to  
1599 support free enterprise candidates in the District of  
1600 Columbia for election.

1601 . Q But that has remained an inactive organization?

1602 . A Also, yes.

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1603 . Q Are there any other organizations that you have  
1604 established that you recall?

1605 . A I think that's it.

1606 . Q Has the Channell Corporation continued to exist?

1607 . A Not today. It went out of business a month ago.

1608 . Q But it continued to exist in 1985 and 1986?

1609 . A Yes, legally.

1610 [Whereupon, at 1:00 p.m., the deposition was recessed, to

1611 reconvene at 1:45 p.m., the same day.]

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1612 RPTS DOTSON

1613 DCMN STEVENS

1614 2:00 p.m.

1615

1616 AFTERNOON SESSION

1617

1618 . BY MR. FRYMAN:

1619 . Q Mr. Channell, when we adjourned for lunch we had  
 1620 been talking about your initial meeting with Mr. Miller and  
 1621 Mr. Gomez. Following that meeting, did NEPL in 1985 become  
 1622 involved in supporting legislation in the Congress to  
 1623 provide assistance for the resistance in Nicaragua?

1624 . A In the first meeting?

1625 . Q Yes.

1626 . A Well, NEPL became eventually, a year later,  
 1627 involved in educational activities on Nicaragua, acted as  
 1628 supporting the President on Nicaragua in April and May of  
 1629 1985.

1630 . Did I hear your question correctly?

1631 . Q I may have incorrectly phrased the question.

1632 . The support for the President's legislation in 1985  
 1633 was paid for by ACT; is that right?

1634 . A Exactly.

1635 . Q And the support by NEPL did not begin until 1986?

1636 . A Right. The educational campaign didn't start, we

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1637 were planning it in late 1985, doing testing and then we  
1638 started it in December 1985.

1639 . Q What was the nature of the support that the ACT  
1640 provided in 1985?

1641 . A I think we did two ads maybe. And we put them on  
1642 various places around the country.

1643 . Q These were television ads?

1644 . A Yes, they were T.V. ads. As I recall the President  
1645 lost one of the votes by two votes. I truly can't remember  
1646 which vote this was. And so we put on a message saying  
1647 something like the President is in search of two votes. And  
1648 that was the message.

1649 . Q Were these ads prepared by the Robert Goodman  
1650 Agency?

1651 . A Yes.

1652 . Q You mentioned this morning that Mr. Miller had  
1653 introduced you to the Goodman Agency?

1654 . A Suggested that they were good.

1655 . Q Is it your recollection there were two television  
1656 ads in 1985?

1657 . A I think we did more than one for the same thing.

1658 . Q Do you recall the names of the ads?

1659 . A No. I don't know which--I, frankly, don't remember, ,  
1660 we have done so many. But I do remember that was the first  
1661 line of one of the ads. And then we did what they called a

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1662 --by the way, I am not exactly sure why they entitled the ad:  
1663 the way they did. It is something Bob Goodman thought of.  
1664 . We did an ad on the Korean Airliner tragedy. They  
1665 called it the Korean Airliner tragedy ad.  
1666 . We did an ad on--I think it was another one for  
1667 Nicaragua, a second one on Nicaragua.  
1668 . Q But the Korean ad was unrelated to the Nicaragua  
1669 ad, I take it?  
1670 . A Right. But we put it on I think during some of the  
1671 same time. I am sorry, I can't think of the name of the  
1672 other ad.  
1673 . Q Was it your intention that the Korean Airline ad  
1674 would have any effect on the Nicaragua vote?  
1675 . A I can't remember what the line was there. No, that  
1676 wasn't really part of the lobbying at all. We put it on  
1677 very close to there and I am not exactly sure what the  
1678 purpose was. I can't think of the rest of the ad.  
1679 . Q Am I correct that you selected certain particular  
1680 media markets where the ad relating to Nicaragua would be  
1681 run?  
1682 . A Yes. Rich helped us, guided us to various media  
1683 markets plus Washington, D.C.  
1684 . Q Who made the decision about which media markets  
1685 would be used in 1985 for this initial ad?  
1686 . A Of course, I ultimately did because I was the one

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1687 who had to spend the money.

1688 Q Did you ask Mr. Miller for recommendations?

1689 A Yes. We had a lot of support and advice from them.

1690 Again, I will go back to the fact that they were experts on

1691 this issue, and they knew which argument would appeal to

1692 which Congressmen. They knew which arguments would appeal

1693 to a lot of the various constituencies around the country.

1694 I had come from a political background where this

1695 issue and this type of issue <sup>was</sup> not at all relevant. But

1696 they did know the domestic political relevant of this, and I

1697 was in the process of learning that. So I really went with

1698 their guidance, and they met with other people like Dan

1699 Kuykendall a very great deal before they presented a list to

1700 us.

1701 Q Did you yourself confer or seek advice from anyone

1702 other than Mr. Miller and Mr. Gomez about selection of media

1703 markets?

1704 A I don't recall that I did. Goodman, we would have

1705 talked to Bob Goodman about it, too.

1706 Q You mentioned you understood Mr. Miller met with

1707 Mr. Kuykendall. Do you know of anyone else he met with or

1708 discussed the markets?

1709 A No. He could have. I am not apprised of that.

1710 Q What did you understand were the criteria for

1711 selecting media markets for these ads during this initial

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1712 phase in 1985?

1713 . A Goodness. I can--it would be, I can just give you a  
1714 general criteria for selecting media markets normally. I am  
1715 not sure I can separate 1985 from 1986. I think it was the  
1716 same deal. Where there was support for the President, for  
1717 instance, in his election campaign, that may not have been  
1718 reflected in the Congressman's votes. The way the  
1719 Congressman had voted on issues like Nicaragua before, such  
1720 as El Salvador, maybe the Defense Budget or an issue of  
1721 Central--maybe aid to Central America, I am just trying to  
1722 think of--there were lots of--the third would have been the  
1723 type of argument that would have appealed to a non-committed  
1724 Congressman.

1725 . We debated--in fact, I learned a great deal about  
1726 this, we debated for months on the type of arguments that  
1727 would make sense to Congressmen. Because in our lobbying,  
1728 we rarely went out to threatening about it. I think maybe  
1729 twice we said the Congressman was not supporting the  
1730 President and we hoped he would.

1731 . Almost all of our ads said the Congressman hasn't  
1732 made up his mind yet, hasn't decided yet. Because in most  
1733 instances that is where we were.

1734 . We were dealing with Congressman <sup>e</sup> who had not  
1735 declared themselves. We were dealing with constituencies  
1736 that our analysis showed would support the President. So

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1737 this was the mix.

1738 . Especially the arguments that makes sense to a  
1739 Congressman--how do you make sense to a Congressman, where  
1740 you can take very good arguments and the Congressman will  
1741 turn away from them. You can make bad arguments and the  
1742 Congressman might pick up on it. What arguments are  
1743 intelligible to a Congressman.

1744 . This goes back to his voting history, it goes back  
1745 to the history of his constituents. We had lots of debate  
1746 about the hierarchy in the House, who was beholden to who,  
1747 who belonged to what group, whether these ads would make any  
1748 difference or not.

1749 . In 1986, I nearly lived with Dan Kuykendall because  
1750 he is such a vast resource on the history of the House of  
1751 Representatives and the way it works and you just don't take  
1752 a list of uncommitted Congressmen and say here is an ad,  
1753 let's go after <sup>them</sup> him. You are stumped if you do because it is  
1754 not going to help you at all.

1755 . MR. FLYNN: Are these markets pretty much in this  
1756 area of the country as opposed to the West Coast?

1757 . THE WITNESS: There is next to nothing on the West  
1758 Coast.

1759 . MR. FLYNN: You were concentrated in this area?

1760 . THE WITNESS: No, we concentrated pretty much in  
1761 the Sun Belt. A little luck here, but not much. But we

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1762 focused our lobbying on Congressmen who truly had not made  
1763 up their minds, and I learned from Kuykendall that every  
1764 Congressman is truly an individual living in an historical  
1765 and cultural time that you had better appreciate before you  
1766 put any ads on about them.

1767 .           They must--the ads must relate to the Congressman.  
1768 make sure the Congressman will respond to it, not--you know,  
1769 when you are trying to get someone to support you, you don't  
1770 want to get them mad. So that was a lot--you were asking  
1771 about criteria.

1772 .           That is a lot of the criteria.

1773 .           BY MR. FRYMAN:

1774 .       Q     You mentioned in 1985 the ads were sponsored by ACT  
1775 instead of NEPL?

1776 .       A     That is right.

1777 .       Q     What was the reason NEPL did not sponsor these ads  
1778 in 1985?

1779 .       A     These are lobbying ads. These are ads directly  
1780 requesting support for a piece of legislation that is  
1781 specific, not general policy. Policies aren't legislation.  
1782 When you ask someone to support the President's policies, he  
1783 may not even need any legislation, support the President's  
1784 policies in Geneva, for instance. Well, what is the  
1785 legislation? There isn't any.

1786 .           So our lobbying organization aimed at specific

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1787 pieces of legislation. That is the only way we know to do  
1788 it.

1789 . A Congressman--who do you know he is uncommitted if  
1790 there is no legislation on the table?

1791 . Q But the advertisements were focused or directed  
1792 towards particular Congressmen also in 1985?

1793 . A That is all it was. The lobbying ads were on a  
1794 Congressman?

1795 . Q Were Congressmen's names mentioned in the  
1796 advertisement?

1797 . A I think some were. I am not sure if they were or  
1798 not.

1799 . Q No, in 1985, other than the advertisements, what  
1800 activities did your organizations undertake in support of  
1801 the legislation?

1802 . A That is all. It was over, I think, in May. I  
1803 can't remember whether the conclusive vote was May or early  
1804 June. But it was over then, so we quit.

1805 . Q Again, focusing on 1985, what techniques did you  
1806 use to raise funds for your organizations in 1985?

1807 . A Well, the centerpiece of all of our fundraising has  
1808 been small meetings or private briefings as they evolve,  
1809 sometimes. But we tried to have for each program a briefing  
1810 if we could and have experts in to talk about it and to  
1811 develop the program for the group and get them to support

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1812 it. This was just a--I learned it at MCPAC. I think it is a  
1813 good practice.

1814 Q Now, the vote on the Nicaragua aid you recall was  
1815 in April or May of 1985?

1816 A Well, there were two or three votes. You see, the  
1817 first vote, the President lost before the Nicaraguan dinner  
1818 finally occurred, so it must have occurred like the 2nd or  
1819 3rd of April. Then there was a vote after the dinner  
1820 sometime, and I think that was in May or at the latest,  
1821 early June. Then it was over.

1822 Q Well, now, have you had briefings for your  
1823 supporters prior to the second vote in May or early June?

1824 A No.

1825 Q But you had run ads in connection with that vote?

1826 A Yes.

1827 Q How had you raised money for those ads?

1828 A We had called several people and told them the  
1829 situation. Of course, they had seen it on television or  
1830 read it in the newspapers. And this was the crisis these  
1831 people had been very supportive of the President, and he  
1832 failed. And we then decided we were going to try to do  
1833 something politically rather than with just the refugees to  
1834 help him and we came up with an ad.

1835 It is not very original, by the way. Most of the  
1836 people don't raise the money to do it, that is all. So we

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1837 were able to raise the money for the ads, and so we put, I  
1838 think it was two nights of ads on.

1839 Q After the vote, did you decide to have a briefing  
1840 with respect to Nicaragua?

1841 A Yes. We had actually--as you know in the Congress,  
1842 all these times voting slips, when you think it is going to  
1843 be over, it may not be over. We were working at the very  
1844 same time we were running the ads, we were working to create  
1845 a briefing on Nicaragua in general to sensitize the people,  
1846 and we had talked with Rich Miller about the possibility of  
1847 doing that, and he said, oh, yes, it is very possible to do  
1848 that. We had wanted to know if he could help us put on such  
1849 a briefing, and I suggested to him that we try to go into  
1850 the White House for the briefing, because I had been to the  
1851 White House for several briefings and I knew that would be  
1852 attractive to everybody on earth, of course.

1853 Q Could we have a briefing in the White House? Well,  
1854 he didn't know, but he had suggested that he put together  
1855 for us a request to go to the Public Liaison Office of the  
1856 White House and see if they would allow us to have a  
1857 briefing. And he did so, and they granted the request  
1858 for--ultimately it was for the 27th of June.

1859 Q They had to postpone it two or three times. The  
1860 vote was postponed, the briefing was postponed, the dinner  
1861 was postponed.

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1862 . I began to learn that everything slides, that I had  
1863 to be very careful. And we were originally going to try to  
1864 have the briefing in May, but it was postponed. So we ended  
1865 up having it the end of June, which we then ultimately had,  
1866 but the vote by then was long over.

1867 . Q And the June 27 briefing was the first briefing you  
1868 had for your supporters with respect to Nicaragua?

1869 . A Exactly.

1870 . Q And that was held at the White House complex?

1871 . A Yes. In the Executive Office Building.

1872 . Q Who spoke at this briefing?

1873 . A Of course, Colonel North gave the now famous slide  
1874 show, which he had given evidently to god knows how many  
1875 groups before that. But he gave that briefing and someone  
1876 from Public Liaison--I am not sure I remember--I don't  
1877 remember who, because I wasn't there. I came in late  
1878 because it was raining.

1879 . I brought a woman in a wheelchair and we got in the  
1880 wrong entrance. And somebody from Public Liaison introduced  
1881 the thing, and then they introduced Ollie.

1882 . And I got in about half way through the briefing,  
1883 and Ollie was in the slide show.

1884 . Q When did you first meet Colonel North?

1885 . At that time, that night.

1886 . Q On June 27?

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1887 . A Yes.

1888 . Q I keep having this strange feeling that I met him a  
1889 week or two before, and I can't place it. I just can't  
1890 place it. I keep thinking I was taken to his office to be  
1891 introduced to him, but I just can't place it.

1892 . But I do remember very clearly seeing him that  
1893 night.

1894 . Q Now, you say that night. The briefing at the Old  
1895 Executive Office Building was in the afternoon, was it not?

1896 . A I think it was like at six or seven.

1897 . Q Late in the afternoon?

1898 . A Yes.

1899 . Q Then what continued into the evening?

1900 . A We had a program which was a speech by Calero. He  
1901 was going to speak after dinner. Because the purpose of the  
1902 event was to give him the check from MEPL for his people.  
1903 He had his families, he had 20,000 families or something  
1904 like that, and we were giving him the check for humanitarian  
1905 aid, were going to present it to him at the dinner, which we  
1906 did do, but we went across the street to the Hay Adams and  
1907 people changed clothes and we had cocktails, we had dinner  
1908 and he spoke, and then we gave him the check.

1909 . Q Did Colonel North attend the dinner at Hay Adams?

1910 . A No.

1911 . Q Did he come to the Hay Adams?

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1912 . A No.

1913 . Q So he did not hear Adolfo Calero speak that

1914 evening?

1915 . A No.

1916 . Q Had the money been raised for this contribution to

1917 Mr. Calero before the briefing or were checks presented by

1918 your contributors that day?

1919 . A Both.

1920 . Q Both?

1921 . A Yes. We didn't make out the check to Adolfo until

1922 late that afternoon, after the mail had come in, because we

1923 wanted as much money as we could get for him that day, to

1924 give to him that night. So the check was made out, I think,

1925 on that afternoon.

1926 . Q Do you recall the amount of the check?

1927 . A I think it was \$50,000.

1928 . Q To whom was the check payable?

1929 . A [REDACTED]

1930 . Q What is that?

1931 . A That is one of the accounts that Adolfo has.

1932 . Q Who told you to make out the check to [REDACTED]

1933 [REDACTED]

1934 . A Rich Miller.

1935 . Q Did you have any discussions with Mr. Calero about

1936 what use would be made of this \$50,000?

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1937 . A He mentioned in his address they were going to buy  
1938 medicine with it. He talked about the fact that the  
1939 hospital equipment and tents and whatever they used to put  
1940 people in were very rudimentary, they would use it for that.  
1941 They were going to buy food for it, they were going to buy  
1942 clothing for refugee families.

1943 . During his speech he told everybody what the money  
1944 was going to be used for. We had asked him to be sure to do  
1945 that.

1946 . Q Was there any discussion of weapons?

1947 . A No.

1948 . Q Did John Ramsey attend this meeting on June 27?

1949 . A I don't think he did.

1950 . Q Had you participated in a dinner with Mr. Ramsey  
1951 and Mr. Miller earlier in the spring of 1985?

1952 . A Yes.

1953 . Q Approximately April?

1954 . A Yes.

1955 . Q What was the reason for that dinner?

1956 . A He wanted to help Adolfo directly, and he was not  
1957 interested in refugee aid or anything like that. He said  
1958 that to me. He could care less. He said if you ever get to  
1959 talk to somebody who is directly involved with the freedom  
1960 fighters, I would like to help them.

1961 . I would really like to help directly. And so in

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1962 our discussions with Rich Miller, he said that one night,  
1963 that Adolfo would be in Washington for a few days, and I  
1964 said, oh, my gosh, we have a guy who would love to help the  
1965 freedom fighters directly, do you think you could arrange to  
1966 have a free night for Adolfo and I will see if we can get  
1967 this guy to fly up here and he and Adolfo can talk. And  
1968 Rich was able to do that.

1969 . I talked to John Ramsey and I said, we have got the  
1970 head of the freedom fighters coming up here for three days,  
1971 would you like to come up and talk to him about helping him  
1972 directly?

1973 . He said I would be delighted. I will see if I can  
1974 do that. He was able to come. So he and I, Rich and I and  
1975 Dan Conrad and Gomez met and Adolfo missed the dinner. But  
1976 Rich said Adolfo is, I know what they need and I know  
1977 everything about it and you can talk to me if you want  
1978 directly because I know everything about it.

1979 . Well, John seemed to think that was all right and  
1980 we had a dinner that lasted I think three or four hours.  
1981 Gomez and Miller talked extensively about the whole  
1982 background of the freedom fighter movement in Nicaragua and  
1983 what the needs were, who was Adolfo Calero, who was UNO,  
1984 what these people were like and what the goals were of the  
1985 freedom fighters, and talked about the type of weapons. John  
1986 is an avid gun guy, and he knows about all types of hunting

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1987 weapons and everything, so they sat there and talked about  
1988 different kinds of rifles and pistols and what will be  
1989 ruined in the rain and what won't be ruined in the rain, why  
1990 don't they use this?

1991 . It was a very lively discussion.

1992 . At the end of the evening, Rich said, would you  
1993 like to help financially? And John said, yes, I would like  
1994 to help Adolfo financially. Rich said, well, you can if you  
1995 will make out a check to the Nicaraguan Development  
1996 Council, it goes directly to the freedom fighters.

1997 . And John subsequently did that and gave I think it  
1998 was \$20,000, and was really pleased to do that.

1999 . Q Do you know if Mr. Ramsey met with Mr. Calero  
2000 during that trip?

2001 . A Not that trip, no.

2002 . Q Was a tape recording made of a portion of that  
2003 dinner with Mr. Ramsey that you have been describing?

2004 . A Well, Dan Conrad I thought taped almost all of the  
2005 meeting. We were going to learn a lot from this. It is the  
2006 first time--we had never discussed weapons or heard about the  
2007 different types of weapons to be used and that were needed  
2008 so I was really fascinated by the discussion. I said to  
2009 Dan, why don't you tape this and we will see what we can  
2010 learn, and it was very worthwhile.

2011 . Q What was the procedure used for the taping?

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2012 . A Put the tape recorder in the center of the table.

2013 . Q So it was openly recorded?

2014 . A Oh, yes.

2015 . Q There is nothing secret about the recording at the

2016 dinner?

2017 . A No.

2018 . Q Was a transcript made of that tape?

2019 . A Yes.

2020 . Q And that transcript was sent to Rich Miller for his

2021 review, was it not?

2022 . A Yes. One of the problems with the tape recorder is

2023 we had to keep moving it around because it is--it wasn't

2024 picking up voices and things like that. So there is some

2025 garble. We sent it to Rich in order to get it clarified.

2026 . Our secretary couldn't make sense out of some of it

2027 and Rich was able to straighten it out.

2028 . Q After the June briefing that you had described

2029 where you presented Mr. Calero with a check for

2030 approximately \$50,000, did any of your supporters express

2031 any concern about any control over the use of these funds?

2032 . A You mean of those who were at the dinner?

2033 . Q Or any of your supporters. Was there any concern

2034 about the money being used for purposes intended?

2035 . A Well, John Ramsey had mentioned <sup>earlier</sup> as had Mrs.

2036 Newington, who did not attend <sup>maybe</sup> neither of them attended that

the dinner

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2037 dinner--that they were concerned about the money being  
2038 wasted, money being stolen. It is interesting, both of them  
2039 said they wondered if all this money was going into the  
2040 leadership's <sup>rumored</sup> Swiss bank accounts.  
2041 . Q That is both Mr. Ramsey and Mrs. Newington?  
2042 . A Right. This was early in the spring of 1985. I  
2043 had no idea what they were talking about. I think they were  
2044 just guessing. I think there was an image, these Latin  
2045 Americans have an image problem here in this country where  
2046 everything they get the idea is it goes into Swiss bank  
2047 accounts.  
2048 . And that was of concern to me, too. I was very  
2049 concerned. I had been through the experience, for instance,  
2050 of a Nicaraguan refugee dinner where I have raised all this  
2051 money and worked on and off for three months as have other  
2052 people and they ended up giving \$1,000 to the refugees.  
2053 Where did it go? I know the dinner cost a lot of money and  
2054 I know they had a very difficult time selling that dinner  
2055 except through me and I think two or three other people.  
2056 . If everybody had done what they were supposed to  
2057 do, we would have been a great financial success. My money  
2058 ended up paying for everything and I didn't know my money  
2059 was going to end up paying for everything. So where did the  
2060 rest of the money go?  
2061 . I was concerned about that. I had seen that

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2062 happen, Ramsey had mentioned to Rich Miller as early as  
2063 April. When we had talked to Barbara Newington, she was  
2064 concerned that the money go where it was supposed to go.  
2065 . Gain, both of these people had prior experience  
2066 with Nicaraguan activities and I hadn't. And I got the  
2067 impression they had also had some very bad experiences  
2068 giving money. And this was a concern to me.

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2069 RPTS MCGINN

2070 DCMN SPRADLING

2071 [2:30 p.m.]

2072

2073 And then we had the situation where I made out my  
2074 checks to the Nicaraguan Refugee Fund. That was one  
2075 organization. Rich Miller had asked John Ramsey to make out  
2076 his check for Adolfo to the Nicaraguan Development Council.  
2077 There was a second organization. Now here in June we are  
2078 getting ready to give Adolfo a direct check. I'm thinking  
2079 it's probably supposed to be made out to the Nicaraguan  
2080 Development Council. I now hear, no, you make out the check  
2081 to [REDACTED] That's three. And we have only been  
2082 involved for 60 days.

2083 . And I'm just naturally concerned because we want to  
2084 help, <sup>and</sup> ~~you~~ know, which is the right place. I mean we have  
2085 got three now. So I was concerned.

2086 . Q Did you take any steps to alleviate this concern?

2087 . A I told--first of all I told Rich that I was--I didn't  
2088 understand why we needed at least two contracts for Adolfo  
2089 Calero and that my people had talked to me about their  
2090 concern about where is this money going and here I said, you  
2091 know, I share this worry. Here we have one man. We have  
2092 given two checks to this one man. It's two different bank  
2093 accounts already. And so I was very concerned about it.

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2094 . Q You said that the first time you recall seeing  
2095 Colonel North was at the June 27th meeting.  
2096 . A Right.  
2097 . Q What was your reaction to Colonel North that day?  
2098 . A We had been looking for a way to--as you know, for a  
2099 month-and-a-half we had been trying to organize a briefing  
2100 and we had been to the State Department to hear one of their  
2101 briefers brief on Nicaragua, and then there was a USIA  
2102 meeting or something and they had a briefing on Nicaragua  
2103 and I don't think it was USIA's presentation. They brought  
2104 somebody in but Rich said they are doing a briefing like  
2105 this. Why don't you go see if that <sup>gets</sup> is any good to help you.  
2106 . We had been to a meeting at the White House, one of  
2107 these outreach meetings--actually two of them--where they had  
2108 briefings on Nicaragua. Ollie North was not there. So we  
2109 have an experience of at least four different briefings in  
2110 town on the issue, none of which were any good, none of  
2111 which left you with any sense of anything, just horrible,  
2112 boring.  
2113 . So when I saw--and I said to Rich Miller in May  
2114 when we were first appearing for a briefing at the end of  
2115 May Rich, I have been to these things. You know I'm looking  
2116 for a good form of communication. Every place I have been  
2117 it's a disaster. Please see to it that Colonel North's  
2118 briefing is not a disaster. I said what does he do? And he

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2119 said well, he has a slide show. I said what are they? What  
 2120 are they like? He said I don't know. I said let's look at  
 2121 them. Can you get them for us ahead of time? Can we see  
 2122 some of these slides?

2123 . Then Rich said he had some of the slides which we  
 2124 looked at and they were very--they were pretty good slides  
 2125 and I said you know, Colonel North <sup>could he</sup> is a good speaker; this  
 2126 will not be bad, although I hate slide shows. This will not  
 2127 be bad. Well, it turns out that he was pretty good, not  
 2128 nearly as good as I would think you should be, but I watched  
 2129 the people in the room and they were all excited to death.  
 2130 And then he got to the last slide, which is--it's the  
 2131 Nicaraguan freedom fighter buried and there's a wooden cross  
 2132 I think and he suddenly he became so powerfully emotive it  
 2133 was just like his whole spirit exploded. He became  
 2134 tremendously emotional and became compelling in his language  
 2135 and in his presentation just about at the end about the need  
 2136 to save Latin America, to save freedom, that these people  
 2137 were sacrificing for America and for freedom all over the  
 2138 world, and we have a major responsibility to see that the  
 2139 President's policies are successful there.

2140 . And when he stopped and they flipped on the lights,  
 2141 everybody was just riveted to him. And I decided it was a  
 2142 successful briefing, you know. I mean this had really  
 2143 worked. And so when we went over to the <sup>quite</sup> heads that's what

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2144 they all said. It was wonderful and they thought this  
2145 Colonel North--some of them had met him before--was wonderful.  
2146 And so I said to Dan Conrad, it must be wonderful. We have  
2147 got to be very sensitive to what our contributors feel is  
2148 good. We are sort of jaded being in Washington anyway. So  
2149 I said--they talked about him all night long how wonderful  
2150 that briefing was.

2151           The briefing was very definitely educational. He  
2152 took you beautifully through the whole situation and  
2153 prepared you for this very powerful emotional climax. And  
2154 the organization of the briefing was spectacular. So I said  
2155 to myself, well, if we ever have another one I hope we get  
2156 him. I had no idea how you got him because we, of course,  
2157 had requested the briefing through Public Liaison and in my  
2158 mind they had 10 or 15 people over at the White House that  
2159 could pick up the notebook on Nicaragua and run and brief a  
2160 group at any time, and when they were all used up they took  
2161 somebody else.

2162           I didn't know that he was--at that point I didn't  
2163 realize he was that much of a specialist at all. So I said  
2164 to Rich, you know, we need to thank him very much. He has  
2165 been--this has been really successful. I wonder if we can  
2166 get away to ask him to help us some in the future. And  
2167 that's--that was after the dinner when I saw how successful  
2168 he had been with all these people that I decided if we could

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2169 get him again, it would be wonderful.

2170 Q When was the next contact you had with Colonel

2171 North?

2172 A Well, we arranged to have a <sup>later</sup> briefing for Mrs.

2173 Newington, who could not attend this briefing. Rich called

2174 at the White House and found out that Colonel North could

2175 brief her in the evening after his work was over for about

2176 20 minutes, I think, or half hour, if she came to town.

2177 Q Approximately when was that?

2178 A Just about within a day or two I think of the

2179 briefing.

2180 Q All right.

2181 A And I called her up and I said I would like you to

2182 come down here and hear this briefing and see what is going

2183 on and talk to the people at the White House who really know

2184 the situation in Nicaragua. Would you do that? And she

2185 said well, you know, hemmed and hawed and then she finally

2186 said she would try to run down for that. Because I was real

2187 impressed with the way the contributors reacted to Colonel

2188 North. And so she did come down and he did brief her and

2189 she was likewise very impressed with what he did.

2190 Q Now did you attend that briefing also?

2191 A I did.

2192 Q And that was within a few days of June 27th?

2193 A Very few, two or three one direction or another.

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2194 . Q And so you met Colonel North on the second  
2195 occasion?

2196 . A I really got to say hello to him more than than I  
2197 had before because I had 35 people to shepherd out of the  
2198 White House before and get them across the street and it had  
2199 rained and I had this lady in the wheelchair and then I was  
2200 supposed to be over there at the hotel to greet all of them  
2201 as they came in, and it was very difficult to do that and to  
2202 thank Colonel North. In fact, when we had the dinner the  
2203 night of July one of the important points I wanted to make  
2204 at the dinner was to tell him how much I appreciated what he  
2205 had done and the time he had taken, would be able to take to  
2206 help us because by then he would have briefed two--Mrs.  
2207 Newington alone and the 35 people.

2208 . Q What was the dinner the night of July you referred  
2209 to?

2210 . A That was the dinner where Colonel North and Rich  
2211 Miller, Frank Gomez and Dan Conrad and I sat down together  
2212 and I talked to him about some of the issues you brought  
2213 out.

2214 . Q Was this a dinner you requested?

2215 . A I asked Rich if there--in the near future is there  
2216 any way we can sit down with Colonel North--I always like to  
2217 go out to either lunch or dinner and have dinner and tell  
2218 him what our plans are, what we would like to do, get some

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2219 input from him, see if in the future we have briefings,  
2220 because we weren't sure we could, at the White House, how  
2221 could we insure that we would draw him--was there a way we  
2222 could do it or--because I really did have the feeling that  
2223 lots of people were over there briefing and how could we do  
2224 that. And I wanted to know what his ideas were for a  
2225 campaign in America to support the freedom fighters. And I  
2226 wanted to know more about the freedom fighters.

2227 . Q So you scheduled a dinner for the 9th of July.

2228 . A So we were able to get an appointment with him for  
2229 the 9th of July.

2230 . Q Where did you have this dinner?

2231 . A In the basement of the Adams in the Grill Room down  
2232 there.

2233 . Q And you covered the subjects that you just  
2234 described?

2235 . A Yes.

2236 . Q What else did you talk to him about?

2237 . A I talked about--I brought up the complaint that--now  
2238 he had met Mrs. Newington. He did not know John Ramsey but  
2239 I had at this point made out these checks to these various  
2240 organizations and I said to him Colonel North, we are trying  
2241 to support the freedom fighters and we have contributors who  
2242 are very concerned about the freedom fighters and what is  
2243 going on with their money and what will they do with their

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2244 money. And how do you know what they are doing with their  
2245 money and is it going--I quoted Ramsey and I said is it going  
2246 to Swiss bank accounts. People want to know.  
2247 . We have a lot of Texas givers. They don't have  
2248 nearly the respect they might have for Latin Americans.  
2249 These are problems that we have supporting the President.  
2250 It eventually becomes supporting the President because if  
2251 people think the President's allies aren't very honest,  
2252 you're not going to get support for a presidential policy  
2253 that is benefiting allies that are not honest. I'm not sure  
2254 how much money you or I could raise in support of Saudez  
2255 even though the President may think the world of him because  
2256 we are not sure what they do with their money and we think  
2257 maybe they have a lot already and maybe a lot stashed away  
2258 already.  
2259 . So I wanted to tell him this because among other  
2260 things, I didn't think the White House understood that this  
2261 is the way a lot of Americans thought and this was part of  
2262 the reluctance to support.  
2263 . Q What did he say in response to this concern that  
2264 you expressed?  
2265 . A Well, he said that he understood this, that he had  
2266 heard this before, that he was well aware of it and since he  
2267 knew, by the way, some of my good contributors before I met  
2268 him, they may have talked to him--he knew Ellen Garwood

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2269 before he knew me and he knew Bunker before he knew me and  
2270 there may have been some other people who belong to this  
2271 Council of National Policy which he had met with several  
2272 times that I also knew and they already knew Ollie North.  
2273 And he said that there was concern out there and he was very  
2274 well aware of it and as far as we were concerned, when we  
2275 wanted to give aid, aid checks, just to work it through Rich  
2276 and Frank, that that is the way we could be sure that the  
2277 money would go directly to the freedom fighters.

2278 . Q Were you given any more--

2279 . A We said fine.

2280 . Q Were you given any more specific instructions than  
2281 that?

2282 . A I don't recall.

2283 . Q Did he say pay the money to IBC, for example?

2284 . A No. I don't recall that.

2285 . Q Just work it through Rich and Frank?

2286 . A Right.

2287 . Q And is that the manner in which you came to make  
2288 further contributions?

2289 . A Exactly.

2290 . Q And how did you do that in the future?

2291 . A We just made the checks out I was going to say to  
2292 Rich and Frank, but not to Rich and Frank but to IBC.

2293 . Q To IBC?

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2294 . A Uh-huh

2295 . Q And at some point did Mr. Miller instruct you to

2296 make the checks to an entity other than IBC?

2297 . A Well, a year later he asked us if you are

2298 considering this--is it INTEL?

2299 . Q IBC, Inc. or INTEL Cooperation.

2300 . A That was last year when we were raising this money

2301 for food we had sent some money for food over to him and he

2302 sent the check back and called me and said would you be kind

2303 enough to remake the check to INTEL, Inc. and bring it right

2304 back to me, which we did. I thought he had opened an

2305 account or something here in Washington called that or was a

2306 new account for him. We did not have any idea--which I'm

2307 sure you already know--that these checks were going out of

2308 the country until we got them back and about a month after

2309 we got it back, my accountant called me up and said Spitz,

2310 are you aware that this check has been out of the country to

2311 INTEL? I said of course it hasn't. We just gave it to Rich

2312 over at his office because I was thinking it was a Riggs

2313 Bank account.

2314 . He said no, INTEL is a Cayman Islands bank account.

2315 And I was really surprised at that. I guess that's what

2316 you mean about the other. That happened much, much, much

2317 later.

2318 . Q Did you say anything to Mr. Miller after you

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2319 learned that the check was going to a Cayman Islands bank?

2320 . A Yes. We had made out I guess three or four to him.

2321 . Q What did he say when you spoke to him?

2322 . A He told me that that was an account for Adolfo and

2323 that it was perfectly legitimate. He had all the papers and

2324 the account showed where all the--what was to be done with it

2325 and the board of governors and it was 100 percent legal for

2326 us to do that, for him to instruct us to do that. But I

2327 want to make clear to you he said--he only told me that like

2328 last October or November because very shortly thereafter

2329 when this crisis developed and they were talking about

2330 offshore accounts, then a lot more came out than I knew.

2331 . Q Is it correct that after your dinner with Colonel

2332 North on July 9, 1985 where he told you to send the money

2333 through Rich and Frank, that all of the funds that you

2334 transferred to the Nicaraguan Resistance were transferred

2335 either through Mr. Miller's account in the name of IBC or in

2336 the name of this other account, which I later learned was in

2337 the Cayman Islands?

2338 . A Well, there was at least one exception when we did

2339 activities--we gave Christmas money for Adolfo's families and

2340 I sent the check I think directly to him.

2341 . Q Other than that one exception--

2342 . A Yes, I would think it would be almost all of them.

2343 I think so.

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2344 . Q Now at the July 9 dinner with Colonel North you  
2345 also expressed to him your hope that he would participate in  
2346 future briefings. What was his response to this request by  
2347 you?

2348 . A I thanked him a lot because he's a federal official  
2349 and I knew he was very busy and he had taken time twice to  
2350 help us out, and I was deeply indebted to him and thrilled  
2351 to death that he did it and really appreciated very, very  
2352 much, and told him how much I thought of him and what my  
2353 contributors had done and how wonderful they thought he was,  
2354 and he inspired them and how could we arrange it if maybe  
2355 you are free you can do it again.

2356 . He told us you just have to go through the same  
2357 process and he was doing a lot of them and maybe we would  
2358 get him and he would try if he could to do it. If he had  
2359 time he would be glad to do it. Then I said well, do you  
2360 ever fly out of Washington to do briefings? Could we ask  
2361 you to do that? And he said that had been done also and  
2362 that his time was not his own, that he had an awful lot to  
2363 do but once in a while he could do that, but it would just  
2364 be if he had a free moment, that he was very, very busy.

2365 . But in principle he would be delighted to do that.  
2366 The reason why I asked him about flying out of Washington  
2367 was because Ellen Garwood had told me he had been down to  
2368 see the Council of National Policy and brief them and later

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2369 I learned from Bunker that he had been down to another  
2370 national policy council at a different location in the  
2371 United States, and he had flown down to see them. So they  
2372 are a very prestigious group of conservatives. So when he  
2373 said that in principle it was okay with him, I really felt  
2374 very good about that because I thought maybe he thinks we  
2375 are almost as worthwhile as this wonderful group is. But he  
2376 said in principle that it was not against his policies if he  
2377 had time.

2378 . Q Did he mention any specific briefings that he had  
2379 done outside of Washington?

2380 . A No. I knew because of what Ellen and Bunker had  
2381 told me but I don't remember him mentioning something to me.  
2382 He may have but I just--I know he mentioned that he was--when  
2383 I asked him about how busy he was, he was saying that he was  
2384 doing briefings to even people like the women of the  
2385 Methodist Church at the White House. He said that's how  
2386 busy we are over here with these briefings.

2387 . Q Did Colonel North conduct a number of briefings for  
2388 your contributors after this dinner in July of 1985?

2389 . A Yes. We requested one in October and one in  
2390 November, and he did both of those.

2391 . Q Did he do any private briefings in 1985?

2392 . A Yes. He briefed Ellen Garwood and may I say with  
2393 private it means not public. He briefed four of our

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2394 contributors at one time in one of, what I would call  
2395 private briefings and then he briefed six of our  
2396 contributors at one time in what I would call a private  
2397 briefing.

2398 . Q The briefing with Mrs. Garwood, was that in  
2399 Washington or was that in Texas?

2400 . A He saw her twice.

2401 . Q In 1985?

2402 . A Yes. The one in Texas was not really much of a  
2403 briefing. She was there about ten minutes.

2404 . Q Was that a meeting at the airport in Texas?

2405 . A Yes. She came out just to say hello to him. He  
2406 talked to her for a few minutes.

2407 . Q There was a second meeting--

2408 . A Her first one was here in Washington the 18th of  
2409 September or August.

2410 . Q And when was the meeting at the airport in Texas?

2411 . A I think the 10th or 11th of September.

2412 . Q You mentioned that he also met with two other small  
2413 groups of your contributors?

2414 . A Yes. I tell you I get these two briefings--they are  
2415 a month apart and I keep getting the dates confused as to  
2416 when he met with the groups. One group was the Pentacosts  
2417 from Texas and there were two of them and then there was  
2418 Mrs. McKinley from Texas and the Brandons, Mr. and Mrs.

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2419 Brandon from Georgia. That was one. I'm sorry I just don't  
2420 know the date. It was either October or November.  
2421 Q That was in Washington, D.C.  
2422 A Yes. That was in a larger room. And then he met  
2423 with Mr. Ramsey and Mrs. Adamkiewicz, and Mrs. Christian,  
2424 and during both of those meetings I was there and he also  
2425 met with them.  
2426 Q And that again was in October or November?  
2427 A Yes. They cannot occur at the same meeting. One  
2428 group met with one briefing and one group met with the  
2429 other. I can't remember which one it was.  
2430 Q And that was again in the old Executive Office  
2431 Building?  
2432 A Yes. There's sort of a committee room close to his  
2433 office where you can handle more than two people and we went  
2434 over there. It hasn't been dusted since the Second World  
2435 War. I mean it hasn't been.  
2436 Q You mentioned other briefings in October or  
2437 November. Does that mean there were larger group briefings?  
2438 A Yes. We had formally requested from the public  
2439 liaison office.  
2440 Q So just to summarize, there were two larger  
2441 briefings?  
2442 A Yes.  
2443 Q There was a briefing in Washington with Mrs.

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2444 Garwood.

2445 . A In August.

2446 . Q There was a second briefing with the Ramsey,

2447 Adamkiewicz and Christian group and there was a third small

2448 briefing with the Pentacosts, McKinley and Brandon group.

2449 . A Right. Six.

2450 . Q Were there any other briefings by Colonel North in

2451 1985?

2452 . A That's--I think that's it.

2453 . Q Did he meet with Mr. Hunt in 1985?

2454 . A Yes. He flew down there and that's when he saw

2455 Ellen.

2456 . Q In Dallas?

2457 . A Yes. That was the same evening.

2458 . Q And he had dinner with Mr. Hunt and with you?

2459 . A Yes, yes.

2460 . Q I'll come back to that later, but other than

2461 identifying that meeting can you think of--

2462 . A I didn't consider that--I thought you were talking

2463 about Washington meetings.

2464 . Q Were there any others outside of Washington?

2465 . A Other than that one, that was it.

2466 . Q Okay.

2467 . While we are on the subject of briefings by Colonel

2468 North, turning to 1986 and just focusing on the larger group

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2469 | briefings, do you recall the dates or the approximately  
2470 | dates of those in 1986?  
2471 | . A We had the big one with the President.  
2472 | . Q That was in January?  
2473 | . A Yes.  
2474 | . Q Now other than that, what briefings did Colonel  
2475 | North participate in?  
2476 | . A Well, there were two that were very small that we  
2477 | had requested through public liaison. I think it was in  
2478 | March and April. They were not very successful. I mean  
2479 | people just didn't come.  
2480 | . Q And am I correct that in 1986 Colonel North had a  
2481 | number of smaller private meetings with your contributors?  
2482 | . A Right, right.  
2483 | . Q Mr. Channell, did a pattern develop with respect to  
2484 | the larger meetings or briefings by Colonel North in that  
2485 | they were held in conjunction with meetings of your  
2486 | contributors at the Hay-Adams Hotel? Did you arrange for  
2487 | the contributors to stay at the Hay-Adams Hotel when they  
2488 | came to Washington for these briefings?  
2489 | . A If we could.  
2490 | . Q And were there normally receptions or dinners at  
2491 | the Hay-Adams that followed the briefings?  
2492 | . A Yes. We always had a program after the briefing.  
2493 | Colonel North was simply supposed to give a military and

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2494 political update about Nicaragua and that's what his role  
2495 was in these evening events and that's all he did.

2496 . Q Now, who explained to him his role, if anyone? You  
2497 said that was his role or that's what he was supposed to do.  
2498 Is this something that was discussed among you or how was  
2499 this worked out?

2500 . A No. We continued to request he be able to give his  
2501 slide show and that's what he did. That's all he did.

2502 . Q From your point of view, was the purpose of these  
2503 briefings to serve as an aid to raising funds?

2504 . A It was--well, there were many purposes. Any time an  
2505 official from the White House talks about an issue that a  
2506 group in this country is supporting, you're going to receive  
2507 greater support, anybody. I have been to meetings where  
2508 people whom I did not know existed would come as someone's  
2509 assistant assistant assistant and talk about an issue and  
2510 people would say well, that's--the President supports that.  
2511 He sent this representative, wonderful. You are helping,  
2512 good. Our money will be a little bit higher because of  
2513 that.

2514 . This briefing that he did, this slide show was  
2515 obviously very convincing and very supportive, no doubt  
2516 about that. And it woke a lot of people up. And that was  
2517 very supportive. Being able to take people to the White  
2518 House for this educational event and then bring them back

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2519 across the street where we had our own program and our own  
2520 fires to flame, having them over there, give the  
2521 education--we didn't have to do that and having someone do it  
2522 really well was even better. So that was an important role  
2523 for him and he helped us not insubstantially by acting in  
2524 that role in such a superb way. There's no doubt about it.

2525 . Q Was it your practice at the meetings with the  
2526 contributors generally at the Hay-Adams Hotel following the  
2527 briefings to ask for contributions to your organization?

2528 . A Yes. We only had the briefings in order to have--to  
2529 carry on part of our program farther, our MEPL program.

2530 . Q In the briefings by Colonel North that you  
2531 attended, did you ever hear him ask the persons attending to  
2532 contribute any funds to your organization?

2533 . A You mean at the White House?

2534 . Q Yes.

2535 . A No.

2536 . Q Did you ever have any discussions with him that he  
2537 could not do that or that he would not do that?

2538 . A No.

2539 . Q Do you know if he was aware that you were  
2540 requesting contributions at the Hay-Adams following these  
2541 briefings?

2542 . A Oh yes, sure.

2543 . Q How do you know that?

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2544 . A Well, in the private briefings that he had with our  
2545 contributors, he was aware that these people had already  
2546 been giving to us for Central America before they met with  
2547 him. Now he didn't know whether it was at the Hay-Adams or  
2548 whether I called them on the phone last week or whether I  
2549 had been down to Texas to see them, but he was aware they  
2550 were active contributors to our Nicaragua program. I'm not  
2551 sure if I ever said Ollie, person A gave X amount to us at  
2552 dinner. I don't think I ever did that. But he was aware  
2553 that these people were helping us with our Central American  
2554 freedom program.

2555 . Q Did you ever make any sort of report to him to the  
2556 effect that your briefing in October, 1985 resulted in  
2557 contributions of a certain amount of money to our  
2558 organization?

2559 . A Yes. That particular example, no, but several  
2560 times when people would give checks or something I would  
2561 either call him and say you won't believe what we have  
2562 received from X person. I would inform him from time to  
2563 time of the success that we had had.

2564 . Q Would these be following both the individual  
2565 briefings and the group briefings or was there any pattern?

2566 . A I don't think there was any pattern. Some people,  
2567 for instance, would say I would like to give you \$10,000 and  
2568 I'm going to do it in two months or I would like to give you

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2569 a hundred thousand. I'm going to do it next month and I  
2570 wouldn't--I wouldn't call him unless I was really happy about  
2571 something, having received it. So it might not have any  
2572 relevance to a briefing as far as time goes. But I did call  
2573 him with that information when it happened.

2574 . Q Do you recall specific instances of telephoning  
2575 Colonel North and reporting that a substantial contribution  
2576 had been made following his individual meeting with one of  
2577 your contributors?

2578 . A Oh yes, sure.

2579 . Q On more than one occasion?

2580 . A Probably.

2581 . Q Now do you recall a similar report to Colonel North  
2582 following a meeting that he had had with a larger group of  
2583 your contributors?

2584 . A I'm sure we did. It just doesn't stick out in my  
2585 mind.

2586 . Q You don't have a specific recollection at this  
2587 point?

2588 . A No, mainly because we didn't--the money would not  
2589 often be there the day after, you know. It would trickle in  
2590 over a period of time and so I think unless something major  
2591 happened, it would have been unnatural for me to have called  
2592 him after a meeting and say we raised so much money at this  
2593 time. We just didn't do that. The only time where we did

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2594 do that was the one meeting in January where we asked people  
2595 for money immediately to start our work and a lot of people  
2596 sent money in ahead of time, and some people brought money  
2597 with them and some people sent money very shortly  
2598 thereafter. And I know I told him that we had raised a  
2599 substantial amount at that meeting because of that meeting.

2600 . Q You worked out a program, did you not, where  
2601 Colonel North would write letters to your contributors in  
2602 substance thanking them for contributions?

2603 . A Right.

2604 . Q Mechanically how was that done? Was that done  
2605 through Mr. Miller?

2606 . A Yes. From what I understand, because I have never  
2607 asked him specifically what he did afterwards. I know  
2608 generally. The White House would wait until there were a  
2609 certain number of people to that and they would say--they  
2610 told Rich don't send us one or two names. Wait for a month  
2611 or two or three until you have a big list and you will send  
2612 the list to us at one time and if Colonel North can, he will  
2613 write a thank you letter. Sometimes he was able to write  
2614 within the week. Sometimes the letters were two or three  
2615 months late.

2616 . Q Who drafted those letters?

2617 . A I don't know.

2618 . Q I take it you did not?

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2619 . A No.

2620 . Q You don't know whether or not Mr. Miller did?

2621 . A I don't know.

2622 . Q Was it a general practice that you would receive

2623 copies of the letters?

2624 . A It was a general goal that we do that. We didn't.

2625 . Q You received copies of a number of them?

2626 . A I think two or three clumps in a year or so, yes,

2627 but not like you are intimating like I desired. It wasn't

2628 at all systematic or methodical.

2629 . Q The ones that you did receive, were they sent to

2630 you by the White House? Or did you obtain them, for

2631 example, from Mr. Miller?

2632 . A Well, I know I obtained at least one packet from

2633 Rich. They gave them to me. I think I picked up a packet

2634 one time from Fawn when I was over there. They are just

2635 Xeroxes of the letters.

2636 . Q By Fawn, are you referring to Fawn Hall?

2637 . A Yes.

2638 . Q Is she the one you had requested give you copies of

2639 the letters?

2640 . A Yes.

2641 . Q And you succeeded in getting some and you had not

2642 succeeded in getting others?

2643 . A Right. Sometimes it was important to them.

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2644 Sometimes it was eminently forgettable to them.

2645 . Q So to summarize, the practice at these briefings is

2646 that Colonel North would make a presentation of the

2647 situation in Nicaragua.

2648 . A A slide show.

2649 . Q A slide show. Following that you would meet with

2650 your contributors and request contributions--

2651 . A For our programs.

2652 . Q --for your programs. Following that you would

2653 report to Colonel North significant contributions that had

2654 come from your supporters and following that, there would be

2655 a procedure whereby Colonel North would send thank you

2656 letters to your contributors, is that correct?

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2657 RPTS DOTSON

2658 DCMN PARKER

2659 . THE WITNESS: That's all true.

2660 . BY MR. FRYMAN:

2661 . Q Mr. Channell, in the private meetings that Colonel  
 2662 North had with certain of your contributors, did there come  
 2663 a time in some of those meetings where there was a  
 2664 discussion by Colonel North of particular weapons needs of  
 2665 the resistance fighters in Nicaragua?

2666 . A Yes.

2667 . Q How did that subject first come up in any of those  
 2668 meetings to your understanding?

2669 . A I never thought about how it came up. I really--the  
 2670 first time had happened, I really think he just moved into  
 2671 it, *naturally* ~~nationally~~, about the needs of the freedom fighters in  
 2672 general.

2673 . Q Had you asked Colonel North to develop lists of  
 2674 items needed by the resistance fighters that totaled certain  
 2675 amounts of money to present to certain of your contributors?

2676 . A That happened one time. I didn't ask for it, but  
 2677 someone on my staff asked for it.

2678 . Q Who was the contributor?

2679 . A That was a contributor, Bunker Hunt.

2680 . Q Who was the person on your staff who asked for it?

2681 . A Conrad.

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2682 . Q What was the amount of money?

2683 . A I think it was \$5 million if my memory is right.

2684 . Q Had you suggested that amount of money to Mr.

2685 Conrad as a possible contribution by Mr. Hunt?

2686 . A Well, that was a fantasy. I knew he wouldn't give

2687 anything like that, but I had based that figure, frankly, on

2688 the fact that I had recently found out he had given \$10

2689 million to the Dallas Museum of Art. What that has to do

2690 with what he would give for Nicaragua was in my own head. I

2691 had no idea. I figured maybe he could be persuaded to give

2692 a major grant.

2693 . Although, as you well know, no one ever gave what

2694 they were asked to give, and we knew that.

2695 . Q But \$5 million was an objective?

2696 . A Was the budget, yes.

2697 . Q Did you ask Mr. Conrad to relay this objective to

2698 Colonel North?

2699 . A Yes, I asked him to work out a budget with Ollie.

2700 . Q What do you mean by work out a budget?

2701 . A Well, I had no idea what Colonel North might think

2702 the freedom fighters needed for \$5 million and how much each

2703 item the freedom fighters needed would add up to \$5,000.

2704 . Q Five million dollars?

2705 . A Five million dollars. And that is why he did it.

2706 . Q So in response to this request by you relayed

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2707 through Mr. Conrad, did Colonel North come back with a \$5  
2708 million budget to present to Mr. Hunt?

2709 A Yes, he did.

2710 Q Was this given to you in writing?

2711 A No.

2712 Q How was it given to you?

2713 A It never was.

2714 Q How as it presented?

2715 A You mean at the Hunt dinner?

2716 Q Was it presented directly to Mr. Hunt for the first  
2717 time?

2718 A Yes.

2719 Q You had not seen that before the presentation to  
2720 Mr. Hunt?

2721 A No. Nor did I know anything on it. I just knew  
2722 Ollie was going to bring the budget with him, that he had  
2723 done that task.

2724 Q So the steps were the following. You set \$5  
2725 million as a fund-raising objective.

2726 A Right.

2727 Q As a contribution from Mr. Hunt. You left it up to  
2728 Colonel North to develop a list of specific items that  
2729 totaled that amount.

2730 A That is correct.

2731 Q You arranged a dinner meeting with Mr. Hunt to

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2732 present this, 'budget.' Is that correct?

2733 . A That is correct.

2734 . Q Is it correct that this meeting was held in Dallas?

2735 . A Yes.

2736 . Q I believe you indicated earlier that the date of

2737 the meeting was September 10 or 11, 1985?

2738 . A Yes.

2739 . Q And the persons attending the dinner were you, Mr.

2740 Hunt, Colonel North. Did Mr. Conrad also attend?

2741 . A Yes.

2742 . Q Was anyone else present?

2743 . A No.

2744 . Q At this dinner meeting, did Colonel North present

2745 the budget or list of items that totaled \$5 million?

2746 . A Yes.

2747 . Q How did he do this?

2748 . A We sat around a circular table and he sat to Bunker

2749 Hunt's left and he was talking to Bunker about Latin

2750 American politics and what the freedom fighters were doing,

2751 and then he pulled out this list that he had, and as we ate

2752 dinner, I think we went straight down the list, although I

2753 was across from him and never saw the list. Like I can't

2754 read your writing, I couldn't read his either. And as we

2755 had dinner, he went over either all of the items on the list

2756 or various items on the list, saying why these items were

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2757 chosen and what the freedom fighters would do with it and  
2758 saying there was a need the freedom fighters to attain these  
2759 things, this would help if the freedom fighters could get  
2760 these things. This would help the freedom fighters in their  
2761 struggle.

2762 . Q When you looked over the table and saw the list,  
2763 could you tell if it was a type-written list or a hand-  
2764 written list?

2765 . A I recollect that it was a hand-written list.

2766 . Q And you recall Colonel North describing items on  
2767 the list to Mr. Hunt?

2768 . A Yes.

2769 . Q What items do you recall?

2770 . A He talked about various types of ammunition, which  
2771 I can't remember, ammunition. He talked about three  
2772 different types of airplanes, the Maule aircraft, which he  
2773 brought with him a brochure of, a Dehaviland aircraft. I  
2774 can't remember what that meant, and then something else.  
2775 These aircraft were all very good at flying low and slow and  
2776 dropping supplies.

2777 . He talked about food and the regular food and  
2778 medical supplies and all types of humanitarian  
2779 things--medicine, and he talked about, I think, it was a  
2780 certain type of grenade launcher. I have forgot<sup>ten</sup> even a few  
2781 of the things. Those were outstanding.

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2782 . Q Prior to this dinner, had Colonel North discussed  
2783 with you what items would be on the list?  
2784 . A No.  
2785 . Q Were you surprised that the list included military  
2786 equipment?  
2787 . A No.  
2788 . Q Why not?  
2789 . A Because he had already talked about military  
2790 equipment to Ellen Garwood in August. This was two weeks, a  
2791 little bit more than two weeks before we were in Texas.  
2792 Eighteen days.  
2793 . Q That was the meeting at the White House?  
2794 . A Yes.  
2795 . Q What items of military equipment had he discussed  
2796 with Mrs. Garwood in August?  
2797 . A He had talked about planes to her.  
2798 . Q The same three types of planes?  
2799 . A No, I just think it was the Maule aircraft.  
2800 . Q Anything other than planes?  
2801 . A Yes. He may have mentioned a certain type of  
2802 missile. And again, I get confused with these types of  
2803 missiles.  
2804 . Q In the conversation with Mrs. Garwood, had he  
2805 specified any dollar amount needed for the different items  
2806 that he referred to?

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2807 . A The price on these planes was \$60,000, and I think  
2808 these missiles were 20,000 each, 18 or 20,000 each.

2809 . Q And he had mentioned those prices in the August  
2810 1985 meeting with Mrs. Garwood?

2811 . A I think so. I am not sure, but I think so. I have  
2812 known these things for so long, I am not exactly sure when  
2813 he said it. But I think that is one of the times he said  
2814 it. I just have to say I am not sure, but I think so,  
2815 because she subsequently made out a check and she would have  
2816 known what for before she did it.

2817 . Q She made out a check after the August meeting?

2818 . A Yes.

2819 . Q And it was your understanding that the check was  
2820 for one of the weapons items that he had referred to in that  
2821 meeting?

2822 . A Right.

2823 . Q And was that one of the sums of money that you  
2824 relayed to Mr. Miller's account in the name of IBC?

2825 . A Yes. Later. And that would have been part of what  
2826 we would have given.

2827 . Q Had you been aware that Colonel North was going to  
2828 discuss weapons with Mrs. Garwood in advance of his meeting  
2829 with her in August of 1985?

2830 . A I don't recall that. I don't recall that.

2831 . Q So when you met with Mr. Hunt in Dallas in

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2832 September of 1985, there had been the prior discussion of  
2833 weapons with Mrs. Garwood. Had there been prior discussions  
2834 of weapons by Colonel North with any of your other  
2835 contributors other than Mrs. Garwood?

2836 . A No.

2837 . Q So the discussion with Mr. Hunt was the second  
2838 time--

2839 . A That's right.

2840 . Q --you mentioned weapons, at least in your presence?

2841 . A That's right. In my presence, that is right.

2842 . Q And in the meeting with Mr. Hunt, Colonel North  
2843 reviewed each of the types of weapons that you have  
2844 described, and he indicated a dollar amount with respect to  
2845 each type of weapon, and he indicated that there was a need  
2846 by the resistance fighters for that type of weapon; is that  
2847 correct?

2848 . A Yes.

2849 . Q Did he ask Mr. Hunt to contribute funds for those  
2850 weapons?

2851 . A No.

2852 . Q Do you know why he did not?

2853 . A Well, he had made a policy of saying to ~~us~~ <sup>all</sup>  
2854 people, "I can't, as a Federal official, I am barred from  
2855 asking for money. I can't do that." And that's why he  
2856 didn't.

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2857 . Q You say he had made a policy of saying that. I  
2858 believe you have indicated that prior to the meeting with  
2859 Mr. Hunt in September you had seen Colonel North at the June  
2860 1985 briefing and the June 1985 private briefing for Mrs.  
2861 Newington, and the August 1985 private briefing for Mrs.  
2862 Garwood and those were the only occasions other than your  
2863 dinner with him on July 9.

2864 . A Right.

2865 . Q Now, had he on those occasions indicated that he  
2866 had a policy as a Federal official that he could not ask for  
2867 money?

2868 . A Yes. And I knew that when we were at Bunker's, and  
2869 then he said it, and he had said it several times before.

2870 . Q Did he say that specifically when you were meeting  
2871 with Mr. Hunt?

2872 . A Yes, he said it then. And he said it with Ellen  
2873 Garwood.

2874 . Q Did he say it with Mrs. Newington?

2875 . A There was no solicitation of Mrs. Newington.

2876 . Q Did he say it in the group briefing in June?

2877 . A No. But he did mention that fact at the dinner on  
2878 the ninth of July. Of course he couldn't ask for  
2879 money--wouldn't ask for money because he was a Federal  
2880 official. I was aware of this; that he couldn't and  
2881 wouldn't before we went to Dallas.

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2882 . Q What was your response when he said this to you at  
2883 the dinner on July 9?

2884 . A Well, I assumed that he was telling me the truth.  
2885 He couldn't because there was some law that federal  
2886 officials can't ask for money for, you know, can't support  
2887 this type of thing by asking for money, so I figured that's  
2888 probably right.

2889 . Q Did you say in substance that that did not present  
2890 a problem because you would be asking for the funds?

2891 . A Did I tell him that?

2892 . Q Yes. In substance.

2893 . A Yes, I am sure of that. Yes. But he also had  
2894 another practice, which was to say to people, "I can't ask  
2895 for money because I am a Federal official. If you want to  
2896 help, you should give to MEPL or give to Spitz'  
2897 organization."

2898 . Q And that in substance is what he said to Mr. Hunt--

2899 . A Yes.

2900 . Q --at the dinner in Dallas.

2901 . A That was just a normal comment many times.

2902 . Q What did Colonel North do with the list that he  
2903 used during the discussion with Mr. Hunt at this dinner we  
2904 have been discussing?

2905 . A He just took it home with him, I guess.

2906 . Q Put it back in his pocket?

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2907 . A Yes.

2908 . Q At the dinner, after he reviewed the list with Mr.

2909 Hunt and he made the statement that he could not ask for

2910 funds himself, but contributions could be made to MEPL, or

2911 words in substance to that effect--

2912 . A Right.

2913 . Q --what happened next?

2914 . A He absented himself from the room. He left, and--

2915 . Q Had that been pre-arranged with you?

2916 . A Yes, yes.

2917 . Q How had you done that? Is that something you had

2918 discussed on the plane ride?

2919 . A I didn't fly with him. I was already in Dallas,

2920 you see. I don't exactly know, but he knew to do that. I

2921 don't know how. I couldn't remember it, but anyway, then I

2922 asked, I said to Bunker, 'Ollie has said we need to support

2923 the freedom fighters in this way, this amount of money.

2924 Would you care to make a contribution in helping anybody?'

2925 And he said he would think about it and get back to us. And

2926 then he and I walked out of the room together. And--

2927 . Q You and Mr. Hunt?

2928 . A Yes. And then Conrad, because this was late,

2929 relatively late at night, and if you know Dallas after 8

2930 o'clock there is no traffic in town. <sup>I</sup> Dan said <sup>Dan</sup> I had better

2931 go downstairs and get a cab to go back to the airport

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2932 | because it is going to take a while to get one because there  
2933 | is no one downtown anymore.

2934 |         So he left himself and went downstairs and tried to  
2935 | flag a cab. We were up 40 stories. That's why he left to  
2936 | get transportation for us back to the airport.

2937 |         Q     Did you and Mr. Hunt and Colonel North have a  
2938 | further conversation together that evening?

2939 |         A     Yes. We went out and lounged, whatever--there were  
2940 | some banquettes around the wall. They sat and talked awhile  
2941 | and discussed the freedom fighters and Latin America  
2942 | politics and lots of people in Latin America they mutually  
2943 | knew. I kept walking back and forth to the window trying to  
2944 | look down to see if I could see Dan Conrad with the cab,  
2945 | because I am not even sure he could get back in the building  
2946 | to come up and get us as soon as I saw a cab, because we  
2947 | were anxious for Ollie to get back to the airport and fly  
2948 | back to Washington.

2949 |         This was done after hours, taking his free time to  
2950 | do it. I was watching constantly, and I was just hearing  
2951 | snippets of the conversation. That's what I did.

2952 |         Q     Are you aware if there was any further conversation  
2953 | of the weapons needs and your request for a contribution by  
2954 | Mr. Hunt?

2955 |         A     I don't--I didn't hear that if there was.

2956 |         Q     Did you talk to Colonel North further about this on

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2957 your way back to the airport?

2958 . A No.

2959 . Q Did you tell him you had made a request of Mr.

2960 Hunt?

2961 . A Oh, yes.

2962 . Q What was his response?

2963 . A Well, I told him, I simply said I have asked for \$5

2964 million from Bunker. I am sure he wasn't going to give it,

2965 but he did seem interested to help and he said he would get

2966 back to me next week with his decision.

2967 . Q Did you ask for \$5 million?

2968 . A That's what the budget was. I didn't say to

2969 Bunker, "Ollie has a \$5 million budget. Why don't you give

2970 less." I just asked him if he would like to help, they

2971 needed the whole thing, and--off the record.

2972 . [Discussion off the record.]

2973 . MR. FLYNN: Read back the last answer.

2974 . [Whereupon, the last question was read back by the

2975 reporter.]

2976 . THE WITNESS: So he said he would think about it.

2977 I said to Ollie, he said he would think about it. He was

2978 interested in the airplanes, and he will get back with us

2979 next week.

2980 . BY MR. FRYMAN:

2981 . Q What was Colonel North's response?

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2982 . A I don't remember that ~~it~~ had any response. If I may  
2983 say, I think he felt that he hadn't presented this very  
2984 well.  
2985 . Q Did he say anything to you that indicated that?  
2986 . A No, I just--Bunker seemed distracted during that  
2987 entire evening, and Ollie spoke many times as if he was  
2988 trying to capture Bunker's attention, and I just think he  
2989 felt that he hadn't made his case very well.  
2990 . Q Did Colonel North fly to Dallas by private plane  
2991 for that trip?  
2992 . A Yes, he did.  
2993 . Q Did NEPL or one of your organizations pay for the  
2994 flight?  
2995 . A Yes, NEPL paid for it.  
2996 . Q Do you know how much that cost?  
2997 . A I guess it was \$8,000 or \$9,000.  
2998 . Q Did anyone else come with Colonel North?  
2999 . A No.  
3000 . Q Did anyone fly back with him?  
3001 . A No. See, the original goal was to have him spend  
3002 the night and be able to speak at the Singlaub conference  
3003 the next morning; have him there and be able to speak early,  
3004 and we hoped we could get him to do that, and just at the  
3005 very end he said, "I can't stay. I have to fly back." We  
3006 were going to have Ellen Garwood introduce him. It just

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3007 | didn't work out.

3008 |     Q     Was the intention always NEPL would pay for the  
3009 | plane?

3010 |     A     Yes.

3011 |     Q     You indicated earlier he also met with Mrs. Garwood  
3012 | at the airport?

3013 |     A     Yes, he did.

3014 |     Q     What was discussed with Mrs. Garwood?

3015 |     A     He discussed--I was not there with them very long.  
3016 | I was just there for part of the meeting. And I frankly  
3017 | can't remember precisely what he mentioned. I think at that  
3018 | time he was talking also about airplanes a lot. And she  
3019 | subsequently gave, later on to help purchase a small Maule  
3020 | aircraft, because of the conversation with him.

3021 |     Q     Did Mr. Hunt make a contribution following this  
3022 | dinner?

3023 |     A     A week or so later we did get, made out to NEPL two  
3024 | checks for \$270,000 each from a law firm that Bunker has  
3025 | something to do with. And with one of the checks was loan  
3026 | to NEPL for \$270,000, which we later returned because I  
3027 | wasn't--I didn't like being loaned money. I didn't think  
3028 | that was right. I had no idea whether NEPL would ever have  
3029 | the money to repay it. And I was very uneasy. I just  
3030 | didn't like it at all, so I just sent it back.

3031 |     MR. FLYNN: What were the figures again?

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3032 . MR. OLIVER: Two thirty-seven, five.  
3033 . THE WITNESS: Two thirty seven-five. I got all the  
3034 numbers right, ~~237,500~~ \$237,500  
3035 . BY MR. FRYMAN:  
3036 . Q And you returned the loan. Was there a further  
3037 contribution from Mr. Hunt?  
3038 . A You mean at that time? Many months later.  
3039 . Q Yes, following your return, following your return  
3040 of the funds in '86.  
3041 . A In 1986, he sent almost the same amount, I think,  
3042 about four months later, five months later.

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3043 RPTS MCGINN

3044 DCMN SPRADLING

3045 [4:00 p.m.]

3046

3047 . Q Did Colonel North discuss specific weapons needs

3048 with other of your contributors in addition to Mrs. Garwood

3049 and Mr. Hunt?

3050 . A At the meeting, the small meeting with Mrs.

3051 Christian and Mr. Ramsey and Mrs. Adamkiewicz, he discussed

3052 the need for missiles for the freedom fighters.

3053 . Q That was the meeting in October or November?

3054 . A Right.

3055 . Q That was in the old Executive Office Building?

3056 . A Right.

3057 . Q Did he discuss the cost of these missiles?

3058 . A He mentioned the cost.

3059 . Q And is that the \$20,000?

3060 . A Again, that's the 18 or 20 thousand, right.

3061 . Q And he described the need of the resistance for

3062 these missiles?

3063 . A Yes.

3064 . Q Was that in connection with--

3065 . A The Hind helicopters were evidently coming on line

3066 about this time, and this was really putting the freedom

3067 fighters in the very defensive posture and these missiles

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3068 | would be able to counteract that if the freedom fighters  
3069 | knew how to use them.

3070 |       Q     Did he mention any total dollar amount that was  
3071 | needed for these missiles?

3072 |       A     Well, it was--I forget what it was. It was like--I  
3073 | don't think he did then, but eventually it became like--for a  
3074 | certain type of missile it was a million two for a whole set  
3075 | and I'm not sure he mentioned that at that time. I did  
3076 | eventually come to learn that for a million two you could  
3077 | get a certain number of missiles and that that's how--I  
3078 | learned that they were to be bought like that.

3079 |       Q     But you don't believe that discussion occurred at  
3080 | this meeting?

3081 |       A     I don't recall that, no. Nobody at this meeting  
3082 | would have the financial power to scratch the surface for  
3083 | that anyway. But that may be irrelevant.

3084 |       Q     Did he make a statement at this meeting similar to  
3085 | the other statements that you have described to the effect  
3086 | that he had a policy as a federal official that he could not  
3087 | ask for contributions, but if they wanted to give money,  
3088 | they could give it to the Channell organization?

3089 |       A     Yes, sir.

3090 |       Q     Did any of these individuals, that is Mr. Ramsey,  
3091 | Mrs. Christian or Dr. Adamkiewicz, make a contribution  
3092 | following this meeting?

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3093 . A Dr. Adamkiewicz did eventually and Mrs. Christian  
3094 did eventually.

3095 . Q Was it your understanding that those contributions  
3096 were to be used for the purchase of these missiles that  
3097 Colonel North had described?

3098 . A Yes. The goal was to be able to--they didn't make a  
3099 big contribution so if you put their contributions together,  
3100 you could have bought a missile.

3101 . Q Did you report these contributions to Colonel  
3102 North?

3103 . A I don't recall that I did.

3104 . Q Did you report to him the contribution from Mr.  
3105 Hunt?

3106 . A When it came or right after it came, yes, we did.

3107 . Q And did you also report to him the contribution  
3108 that you described from Mrs. Garwood following her August  
3109 meeting with Colonel North?

3110 . A Yes.

3111 . Q Your answer is yes?

3112 . A Yes.

3113 . Q Were there any other meetings between Colonel North  
3114 and your contributors in the fall of 1985 where he discussed  
3115 weapons needs of the resistance fighters?

3116 . A ~~He met with Patty Beck.~~ He met with Patty Beck,  
3117 Patricia Beck from Texas, and discussed missiles with her.

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3118 . Q Where was that meeting?  
3119 . A In the White House.  
3120 . Q I take it you were present?  
3121 . A Yes.  
3122 . Q Who else was present?  
3123 . A No one.  
3124 . Q Was that discussion similar to the presentation  
3125 that he had made to Mr. Ramsey and the others?  
3126 . A These discussions about missiles really were keyed  
3127 by the introduction of the Hind helicopters.  
3128 . Q And did he mention the cost of approximately  
3129 \$20,000 a missile?  
3130 . A I don't recall that he did. She had given a  
3131 contribution or pledged a contribution the night before, and  
3132 I had mentioned that to him, that she was already going to  
3133 be giving and I don't recall him telling her how much these  
3134 cost.  
3135 . Q Well, what did you understand was his objective in  
3136 mentioning these missiles?  
3137 . A I wanted her to have--specifically Mrs. Beck--I  
3138 wanted her to have a private meeting with him to get to know  
3139 him. That was the purpose for her and she had already said  
3140 that she would give and he just briefed her more--talked in  
3141 much more detail about how useful and how successful these  
3142 missiles could be against the Hind helicopters, how

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3143 important this was for the freedom fighters.

3144 . Q Did you understand he was explaining to her that

3145 her contribution would be used to purchase these missiles?

3146 . A She had given for missile purchases.

3147 . Q How do you know that?

3148 . A Because she had been asked for missile money the

3149 night before.

3150 . Q By whom?

3151 . A By Mr. Smith, Cliff Smith. And so she had

3152 already--he was briefing her in detail on the usefulness of

3153 those missiles.

3154 . Q Where had the meeting the night before occurred?

3155 . A Well, Mr. Smith had talked to her in the dining

3156 room or in the lobby of the Hay-Adams Hotel. I'm not

3157 exactly sure where but in the Hay-

3158 Adams Hotel in a public room. That's where we were having

3159 our dinner.

3160 . Q Was this in connection with one of the group

3161 meetings?

3162 . A Right.

3163 . Q And I believe you mentioned there was one in

3164 October and one in November. Do you know which this was?

3165 . A I'm going to have to ask Alexi<sup>^</sup> to check the names.

3166 I always get these confused. I don't want to make a

3167 mistake.

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3168 . Q Just relying on your recollection, it was one of  
3169 the fall 1985--  
3170 . A One of the two, right.  
3171 . Q And during the meeting in the evening your  
3172 associate, Cliff Smith, had had a private discussion with  
3173 Mrs. Beck about the need for these missiles to resist the  
3174 Hind helicopters.  
3175 . A Right.  
3176 . Q And he had spoken to her about the cost of the  
3177 missiles being approximately \$20,000 a piece.  
3178 . A Yes.  
3179 . Q And she had indicated she would make a contribution  
3180 to purchase missiles.  
3181 . A Yes.  
3182 . Q Is that correct?  
3183 . A Well, I'm not sure it was missiles but she did say  
3184 to him--he related to me--she said she would give \$40,000.  
3185 . Q Which you understand.  
3186 . A I assumed that was toward a missile budget.  
3187 . Q To buy in essence two missiles?  
3188 . A Yes, that's right.  
3189 . Q And then you were able to arrange a private meeting  
3190 with her the following day with Colonel North?  
3191 . A Exactly.  
3192 . Q Was that meeting with Colonel North set up after

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3193 she had made the commitment to Mr. Smith to contribute  
3194 \$40,000 for missiles?

3195 . A Yes.

3196 . Q And at the meeting with Colonel North the next day,  
3197 he made a presentation about the importance of missiles to  
3198 the resistance.

3199 . A Exactly.

3200 . Q Do you know if he had been informed in advance of  
3201 that meeting about her contribution of \$40,000 to acquire  
3202 two missiles?

3203 . A I have a sense that he was. I didn't do it but  
3204 Cliff might have been able to call him. But I don't know.  
3205 I didn't. I just had a sense that he was. He didn't  
3206 mention it to me.

3207 . Q Do you know how the meeting with him was set up for  
3208 the next day?

3209 . A We arranged it through the office, his office.

3210 . Q Did you do that or did Mr. Smith do that?

3211 . A I don't think I did that. I think someone else did  
3212 it, either one of our secretaries or Cliff. I can't  
3213 remember being on the phone doing that. I very rarely would  
3214 do that anyway.

3215 . Q Would it be unusual in your view for Mr. Smith to  
3216 speak directly with Colonel North about a private briefing  
3217 for a contributor?

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3218 | . A Yes. But it happened.

3219 | . Q There were occasions where Mr. Smith had those

3220 | conversations?

3221 | . A Yes. But it was not normal.

3222 | . Q What other contributors, to your knowledge, had

3223 | private discussions with Colonel North in 1985 about

3224 | weapons?

3225 | . A Well, we had a fellow here from California who did

3226 | not give--was not interested at all. His name was Ferguson.

3227 | Ollie met with him and talked to him about--I think it was

3228 | also missiles. He listened very carefully and said yes. I

3229 | hope they get them and something like that, but he didn't

3230 | give anything. And then there was--

3231 | . Q Was this Cerci Ferguson?

3232 | . A No. He is from Dallas. This fellow was from

3233 | California.

3234 | . And then there was a meeting with Bill O'Neil in

3235 | which military equipment was also brought up, but he wasn't

3236 | interested in that either, and didn't give anything for it.

3237 | He gave money but it wasn't for--it had nothing to do with

3238 | that. As you see, we had several contributors who were very

3239 | interested in our program, just our program, and they liked

3240 | the attention of Ollie, but it just didn't wash with them,

3241 | for whatever reason.

3242 | . Q When you say just our program, what are you

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3243 referring to  
3244 . A I mean if Ollie would talk about military equipment  
3245 or humanitarian aid for the freedom fighters these people  
3246 might not be turned on by that. They were turned on by our  
3247 program, our television for education and then later they  
3248 were turned on by the lobbying efforts and they were not  
3249 interested in giving--they wanted their money to stay here  
3250 and be used for either an educational purpose or a lobbying  
3251 purpose, and we had several contributors that gave a lot of  
3252 money for that. Then we had some contributors that gave  
3253 because of Ollie as well as giving money directly for our  
3254 program also.

3255 . So sometimes I have to separate that. When you are  
3256 saying did he ask for money, because the people--some of the  
3257 people we talked to, it just didn't jell or they just didn't  
3258 care, it left my mind because they didn't give to that at  
3259 all.

3260 . Q What other contributors, other than the ones you  
3261 have identified, did Colonel North discuss weapons with in  
3262 1985?

3263 . A He talked to the *Warrens* but that was not for  
3264 weapons. That was discussing radios. They have, as you  
3265 know, a home in Honduras. He talked to them about the need  
3266 to acquire radios for the freedom fighters to communicate  
3267 with them. But there were no weapons. I think--you may have

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3268 some other names. I would be glad to entertain them.

3269 . Q Did he ever speak with Mrs. Newington about  
3270 weapons?

3271 . A In December--either November or December we had a  
3272 meeting at the Hay-Adams Hotel where it's my recollection--I  
3273 wasn't sitting with them the whole time but he had brought a  
3274 notebook with him and he discussed either weapons and/or  
3275 airplanes with her. And I think he discussed missiles with  
3276 her but I am not sure. But I do not, he discussed airplanes  
3277 with her because I was there for that. But I haven't been  
3278 able to remember if there were other things.

3279 . Q What type of planes?

3280 . A He had these Xeroxes of these three types of  
3281 planes, these slow planes where the backs opened up and you  
3282 could deliver things. You could drop things out at very  
3283 slow speed and they could parachute into the jungle with,  
3284 you know--not get torn up and the planes were evidently  
3285 rather quiet. He asked about these, discussed these a lot.  
3286 This was something that really--evidently they needed a lot  
3287 of these. I know he actually at one time said we had been  
3288 the cause for purchasing seven, eight of these small planes  
3289 and at least one of the larger planes at one time. But this  
3290 was something that he discussed frequently with people.

3291 . Q Had there been any discussion with Mr. Miller in  
3292 advance of this meeting with Mrs. Newington about seeking a

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3293 specific dollar contribution from her?

3294 . A I remember doing that and I don't know whether I

3295 said we should try to have a project where we can raise a

3296 half million or a million dollars, but I remember discussing

3297 the need to have a budget or a project to discuss with her.

3298 I can't remember the amount but I remember doing that

3299 because Ollie brought with him when he came to see her

3300 this--it wasn't a notebook. Sort of like a picture album

3301 with--he sat beside her and showed her these things and

3302 talked about the different items with her and as I said, I

3303 wasn't close enough. I was on the phone part of the time so

3304 I didn't pick it all up, but I had a discussion with Rich

3305 sometime before she got there. It couldn't have happened

3306 otherwise.

3307 . Q Was this meeting in her room at the Hay-Adams?

3308 . A Yes, yes.

3309 . Q And Mrs. Hewington was present. Colonel North was

3310 present. You were present. Was Mr. Miller present also?

3311 . A Yes.

3312 . Q Was anyone else present?

3313 . A I don't recall that anybody else was there.

3314 . Q And there was some sort of visual presentation to

3315 her at this meeting.

3316 . A I guess you mean the picture album.

3317 . Q In the nature of picture albums or drawings or

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3318 something.

3319 . A Yes, that's right.

3320 . Q And you recall a discussion of the need for

3321 airplanes and you believe there may have been a discussion

3322 of the need for missiles as well.

3323 . A That's right. I'm not sure. I don't know why I

3324 think that, but I thought there was.

3325 . Q Was a specific dollar contribution asked of her

3326 during this meeting?

3327 . A I don't remember that. I asked her myself for a

3328 contribution but it was not--it was just part of--I don't know

3329 how I did that. I think I asked her for like a million one

3330 or a million two or a million three, but it wasn't for one

3331 thing. But I asked her and she could not give it all and

3332 she subsequently sent us several checks.

3333 . Q Did she give that amount over a period of time?

3334 . A Yes, but there were other things that intervened

3335 there. I'm not sure--I have never credited that meeting to

3336 more than two of the checks that came in. There were other

3337 things that intervened that we had to do.

3338 . Q Did you consider that--

3339 . A But I asked for the money myself.

3340 . Q Did you consider that she made contributions

3341 following that meeting for the purpose of purchasing

3342 missiles or acquiring airplanes?

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3343 . A I think at least four or five hundred thousand of  
3344 the money she gave was for what Ollie had talked about.  
3345 This was at a time when we were asking her for support money  
3346 for our educational program and she gave to that. The  
3347 checks were very close and we were giving her the total  
3348 budget for that and she was giving just some large checks  
3349 for that, which we used for that program immediately.

3350 . So I think there would be about two checks that  
3351 might be credited to--

3352 . Q What is the basis for your belief that four to five  
3353 hundred thousand dollars of her contributions were for the  
3354 items that Colonel North had described in this meeting?

3355 . A I think that's the amount that came in very close  
3356 afterwards and before we asked her to help with these other  
3357 projects. But I know she sent at least that amount very  
3358 shortly thereafter.

3359 . Q Did you report that contribution to Colonel North?

3360 . A I think some of this was in stock, which I showed  
3361 to him one day when we were in the White House at some other  
3362 meeting. I had just gotten it in Federal Express as I was  
3363 walking out of the door of my apartment and while we were at  
3364 the meeting I opened it up and here was all this stock, a  
3365 lot of stock. And I said to Dan Conrad, I think I'll go up  
3366 to Ollie's office and show him this stock and see if he's  
3367 ever seen anything like this before. I did--we were there

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3368 | just a minute or two and I showed him the stock we had  
3369 | gotten and he was very impressed. He seemed to be very  
3370 | impressed.

3371 | . Q Was there any discussion that this is what she had  
3372 | contributed in response to his presentation at her hotel  
3373 | room?

3374 | . A Oh, I'm sure we mentioned that. I may have even  
3375 | asked him to call her and thank her.

3376 | . Q Can you recall any other discussions between  
3377 | Colonel North and any of your contributors concerning  
3378 | weapons in 1985?

3379 | . A I don't know. I think that's it.

3380 | . Q In April of 1986 did you and Colonel North meet  
3381 | with Mrs. Garwood at the Hay-Adams Hotel and discuss need  
3382 | for funds to purchase weapons?

3383 | . A Yes.

3384 | . Q Was that meeting in the bar of the Hay-Adams Hotel?  
3385 | . A The grill.

3386 | . Q The grill of the Hay-Adams Hotel? Was there a list  
3387 | of weapons that Colonel North referred to during that  
3388 | meeting?

3389 | . A Yes. He brought a list with him.

3390 | . Q Do you recall what was on the list?

3391 | . A I think there was something like \$700,000 in food.  
3392 | There was ammunition also on that list. There was at least

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3393 two types of grenade--like M-9 grenade launchers or something  
3394 that he had on there. I can't recall other things.

3395 Q What was the total dollar amount of the items on  
3396 that list?

3397 A I thought it was--I don't remember precisely--over \$2  
3398 million.

3399 Q Did he leave the list with you?

3400 A He either gave it to me to give to Ellen or he gave  
3401 it directly to Ellen. She asked if she could have it to  
3402 take back to Austin and there was no problem with that. I  
3403 don't know whether he gave it to me and I handed it to her  
3404 or he just handed it to her.

3405 Q Had you seen the list in advance of the meeting  
3406 with Mrs. Garwood?

3407 A No.

3408 Q Did Colonel North ask Mrs. Garwood for a  
3409 contribution to acquire the items on that list?

3410 A No.

3411 Q Did he make a statement similar to the statement  
3412 you have described that he made in other meetings?

3413 A Yes.

3414 Q In substance, what did he say?

3415 A He said exactly what you have indicated, that as  
3416 you know, I can't ask you for any money. If you want to  
3417 help, just give the money to Spitz.

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3418 . Q And after that did he leave?

3419 . A Yes.

3420 . Q And did you ask Mrs. Garwood for a contribution for

3421 those items?

3422 . A Yes.

3423 . Q And what was her response?

3424 . A She said that she wanted to help and that I knew

3425 that she would help and that she would do everything she

3426 could to help, but of course she couldn't give as much as

3427 Ollie wanted and that she would have to check with her

3428 banker tomorrow and see what she could do and that she would

3429 talk to the people when she got back to Austin and see how

3430 much she could give. But she definitely wanted to help and

3431 she called her banker--if you don't mind me continuing this--

3432 . Q No.

3433 . A She called her banker early the next morning and

3434 she told me then later in the day that she would be able to

3435 help substantially and then later the next week she said

3436 that she could send I think it was a million four or

3437 something like that or a million six.

3438 . Q Aside from the exact amount, she made a very

3439 substantial contribution within the next few days?

3440 . A Yes, she did, yes.

3441 . Q Did you report that contribution to Colonel North?

3442 . A The next week I think--I did call him within the

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3443 next two or three days. He inquired of me I think before  
3444 then if she was going to be able to give and I told him I  
3445 didn't know but then I subsequently found out that she would  
3446 and called him and told him.

3447 Q Did you and Colonel North also have a discussion in  
3448 the spring of 1986 with William O'Boyle concerning a  
3449 contribution to acquire weapons?

3450 A We discussed planes with him. I have to tell you,  
3451 that's what I remember.

3452 Q What led to the meeting between Mr. O'Boyle and  
3453 Colonel North?

3454 A Well, he had come down here for a meeting and--for  
3455 one of our little briefings. It was near the end of the  
3456 spring and the meetings were little then. We had very few  
3457 people and he had come down and he was very interested in  
3458 helping and I wanted to have lunch with him the next day.  
3459 He had said the night before he wanted to help. In fact, he  
3460 might have even committed 30 or 60 thousand the night before  
3461 and I wanted to talk to him the next day because I thought  
3462 maybe we could get him to give a lot more money than that.  
3463 So I had lunch with him at the May-Adams down in the grill  
3464 and that's where--when I told him that we had been very lucky  
3465 to have some of our people meet the President when they had  
3466 given a substantial amount of money and that he might like  
3467 to participate in that sometime if he would ever want to

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3468 | give more money than he had given, and this was when he had  
3469 | committed 60,000.  
3470 |     Q     Was the figure \$300,000 mentioned in connection  
3471 | with a meeting with the President?  
3472 |     A     No, no. Because we had several people meet with  
3473 | him who never gave money like that.  
3474 |     Q     Mr. O'Boyle had been in town to attend the briefing  
3475 | that you mentioned.  
3476 |     A     That's right.  
3477 |     Q     During the evening he had indicated to one of your  
3478 | associates that he wanted to make a contribution.  
3479 |     A     Yes.  
3480 |     Q     Had you taken any steps to have any checks run on  
3481 | Mr. O'Boyle run overnight as to whether he is the sort of  
3482 | person you wanted to be associated with your organization?  
3483 |     A     No.  
3484 |     Q     Is it possible that a meeting with Colonel North  
3485 | was arranged at breakfast the following day?  
3486 |     A     It could have been. I don't remember.  
3487 |     Q     At some point there occurred a meeting between you,  
3488 | Mr. O'Boyle and Colonel North; is that correct?  
3489 |     A     Yes, in the afternoon.  
3490 |     Q     Shortly after the evening briefing.  
3491 |     A     Oh, yes, right.  
3492 |     Q     And what did Colonel North say during this meeting?

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3493 . A He talked about the airplanes and how effective  
3494 they would be and how important all of this was and he  
3495 gave--he wasn't there very long, by the way, a very short  
3496 meeting. He talked about the freedom fighters in general,  
3497 what they were doing and I mean it was just small talk about  
3498 the freedom fighters, nothing terrific. And then he left.

3499 . Q Now you say he talked about airplanes.

3500 . A He did.

3501 . Q Is this the Maule planes?

3502 . A Yes, these are the Maule planes.

3503 . Q Did he talk about the cost of the Maule planes?

3504 . A I don't recall that but I know that's the direct  
3505 answer to your question but Mr. O'Boyle already knew that.

3506 . Q How did he know that?

3507 . A Either the person who solicited him the night  
3508 before told him--I also mentioned the cost again to him when  
3509 he upped his contribution.

3510 . Q And the cost was how much?

3511 . A Sixty--we said 60 to 65 thousand dollars for each  
3512 one.

3513 . Q For each one?

3514 . A Yes, sir. But I know that I mentioned it to him.

3515 . Q So Colonel North described the need for Maule  
3516 planes?

3517 . A Yes.

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3518 . Q Was there any discussion of missiles between  
3519 Colonel North and Mr. O'Boyle?  
3520 . A I do not recall that.  
3521 . Q Did Colonel North ask Mr. O'Boyle for a  
3522 contribution?  
3523 . A I don't recall that he did.  
3524 . Q Do you recall if he made his statement to the  
3525 effect that as a federal official he could not make a  
3526 request?  
3527 . A Not at that luncheon.  
3528 . Q Did Mr. O'Boyle make a contribution following this  
3529 meeting?  
3530 . A Yes, he did, very quickly.  
3531 . Q For how much?  
3532 . A \$130,000.  
3533 . Q What did he indicate it was for?  
3534 . A Two Maule airplanes.  
3535 . Q And did you report this to Colonel North?  
3536 . A I think so.  
3537 . Q Was there a second meeting between you, Mr. O'Boyle  
3538 and Colonel North at the time he delivered this check for  
3539 \$130,000?  
3540 . A I don't recall that.  
3541 . Q What did you tell Colonel North when you reported  
3542 the contribution?

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3543 . A Nothing special. I just don't, I don't remember.  
3544 I just remember that I notified him that we had gotten that  
3545 money.  
3546 . Q Did you arrange a later meeting between Mr. O'Boyle  
3547 and Colonel North?  
3548 . A It was arranged through us, through our office.  
3549 . Q What was the purpose of that meeting?  
3550 . A We have a memory problem here that I have had with  
3551 parts of these things with O'Boyle and it's dead.  
3552 . Q If you don't recall, you don't recall.  
3553 . A ~~And I come, I ran the bath water and didn't get in~~  
3554 and I just can't remember. We went through this before with  
3555 somebody. I'm just blank for some reason. I'm sorry.  
3556 . Q All right.  
3557 . A One of the problems I have with other people's  
3558 contributors is just that. I didn't focus very often on  
3559 much follow-up with other people's contributors. I would  
3560 often go in to help them raise the money from that  
3561 contributor and then I would back away and deal with my own  
3562 people and other things would happen with those  
3563 contributors.  
3564 . Q When you say other people's contributors, do you  
3565 mean other fund raisers employed by MEPL?  
3566 . A Sure.  
3567 . Q Who was the fund raiser responsible for Mr.

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3568 O'Boyle?

3569 . A Jane McLoughlin. So I have vivid memories of small  
3570 sections of some of these meetings with other contributors  
3571 and then suddenly nothing. I don't know how I got there and  
3572 I don't know anything that happened afterwards.

3573 . Q All right.

3574 . A They normally took care of that.

3575 . Q Was another NEPL contributor an individual named  
3576 Thomas Claggett?

3577 . A Yes.

3578 . Q Do you recall any discussion between Colonel North  
3579 and Mr. Claggett with respect to a contribution for weapons?

3580 . A Yes. He met I think it was in January with Tom.

3581 . Q Was this a private meeting?

3582 . A Yes.

3583 . Q Were you present?

3584 . A Yes.

3585 . Q What did he say--what did Colonel North say in that  
3586 meeting?

3587 . A Well, as I recall that meeting was a very vivid one  
3588 where Tom and Colonel North talked about all types of  
3589 military weapons just because Tom is interested in the  
3590 military situation. He didn't have the financial power to  
3591 give very much. He was going to give something anyway, a  
3592 contribution, and he was just going to give a contribution.

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3593 He didn't care where it went and he was delighted to meet  
3594 Colonel North and they talked warfare the whole 15 or 20  
3595 minutes.

3596 . Q To your recollection, did Colonel North present any  
3597 specific military need of the resistance to Mr. Claggett?

3598 . A He talked about missiles also with Tom, but Tom was  
3599 already going to give a contribution. I mean Tom wished he  
3600 could give a billion dollars.

3601 . Q Other than the contributions that we have discussed  
3602 between Colonel North and your contributors where there was  
3603 a discussion of specific weapons needs, do you recall any  
3604 conversations with other contributors?

3605 . A No. I mean we talked to a lot of people, you know,  
3606 about the program and everything.

3607 . Q You mentioned, Mr. Channell, that your organization  
3608 paid for a private plane to transport Colonel North from  
3609 Washington, D.C. to Dallas, Texas, to meet with Mr. Hunt.  
3610 Did you pay for any other travel or transportation by  
3611 Colonel North?

3612 . A Yes, when he went to visit Mrs. Newington in May of  
3613 1986.

3614 . Q Was that again a private plane?

3615 . A Yes. We paid for him and for Rich Miller to fly to  
3616 it's either Westchester or Greenwich--I don't know which  
3617 one--airport and back.

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3618 . Q Do you recall the approximately cost of that  
3619 flight?

3620 A That wasn't as much as to Dallas and I think it was  
3621 like maybe 6000 or 5000.

3622 . Q Was that the only other travel for Colonel North  
3623 that you paid for?

3624 A Yes, sir.

3625 . Q Did you ever arrange for payment to cover any of  
3626 his travels to Central America?

3627 A No.

3628 . Q Did you or any of your organization ever give any  
3629 gifts to Colonel North?

3630 A We gave him a briefcase when his briefcase fell  
3631 apart on the street.

3632 . Q Now, when you say we, is that--

3633 A Dan Conrad and I together.

3634 . Q You individually?

3635 A Yes.

3636 . Q What was the approximately cost of that?

3637 A I don't know. Dan bought it. Charged it.

3638 . Q Do you know if it was under \$500?

3639 A I don't know. I think it probably should have  
3640 been.

3641 . Q Other than the briefcase did you give any gifts to  
3642 Colonel North?

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3643 . A No.

3644 . Q In the NEPL financial records was there an account

3645 known as the Toys account?

3646 . A There was what they call a ledger within the NEPL

3647 accounts where contributions for special projects for Ollie,

3648 some special projects, were placed, some contributions.

3649 . Q When you say that was a ledger account, are you

3650 distinguishing that from a bank account?

3651 . A Yes.

3652 . Q So it was a bookkeeping entry?

3653 . A That's right.

3654 . Q Where funds were accounted under that heading.

3655 . A That's right.

3656 . Q What was the origin of the Toys account?

3657 . A Well, I'm really not sure. People have bashed me

3658 over the head about this and I'm not sure. I had

3659 decided--the account was innocently marked Toys when we first

3660 decided that we were going to try to raise money

3661 specifically for Adolfo Calero's families in Christmas of

3662 1985. We were going to put every one of the dollars we

3663 raised into a special ledger and give him absolutely

3664 everything that was raised. Then later on we used that for

3665 the special hardware and military amounts of money. Some of

3666 them, some of the contributions went there. And it sort of

3667 became a code around the office among some of the fund

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3668    raisers that the Toys account meant not the Central American  
3669    freedom program and not SDI, not Geneva summits; it was  
3670    hardware and airplanes and things like that.

3671                When I went over this late last year I realized  
3672    that they put money in that account that had no relationship  
3673    to that account whatsoever and money for these hardware  
3674    projects in other parts of NEPL, so--

3675        Q    So in practice it--

3676        A    It was very misleading.

3677        Q    --turned out not to be an accurate record.

3678        A    Oh no. Oh no. Wasn't even close.

3679        Q    What did you do after you learned that?

3680        A    This was late last year or maybe even early this  
3681    year when I actually sat down and looked at the records for  
3682    the first time.

3683        Q    Did you structure accounting personnel to remove  
3684    the designation Toys from the internal NEPL financial  
3685    records?

3686        A    I told Steve I think it was in December that we  
3687    should stop using this totally, that we hadn't used it for a  
3688    while and that people were saying that this was for hardware  
3689    and I thought that was inaccurate and that was wrong and it  
3690    should be stopped.

3691        Q    Did you tell Steve--and I take it you are referring  
3692    to Steve McMahon. .

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3693 . A McMahon, the accountant.

3694 . Q Did you tell him to delete the reference Toys from  
3695 the computer data base of NEPL?

3696 . A No, only if he interpreted me as saying stop, we  
3697 don't want to use that any more, to destroy that would he  
3698 have done that.

3699 . I didn't want to use it any more. We hadn't helped  
3700 in that way with Colonel North for some time anyway.

3701 . Q What was the reason to tell him to stop then in the  
3702 fall of 1986 if you were no longer--

3703 . A That was the reason, that we were not going to be  
3704 doing this any more.

3705 . Q So you told him to stop making an entry with  
3706 respect to any contribution to the Toys account?

3707 . A Any contribution, that's right. Because it was  
3708 wholly inaccurate and it was a mess, frankly.

3709 . Q And it was not your understanding that he was going  
3710 to change any of the existing records in response to your  
3711 comment?

3712 . A No. I didn't ask him to change the records at all.

3713 . Q And you weren't aware that he was doing so.

3714 . A That's right.

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3715 RPTS DOTSON

3716 DCMN STEVENS

3717 4:45 p.m.

3718

3719 BY MR. FRYMAN:

3720 Q Mr. Channell, today we have talked about a number  
3721 of meetings and briefings held between Colonel North and  
3722 Supporters of your organizations at a time when Colonel  
3723 North was an employee of the White House, and you have  
3724 indicated in several of your answers that it was significant  
3725 in your fund raising efforts to have the substance or  
3726 involvement of a representative of the White House; is that  
3727 correct?

3728 A That is right.

3729 Q Now, did there come a time in 1985 when you and Mr.  
3730 Conrad began to discuss the possibility of having the direct  
3731 involvement of the President of the United States in  
3732 meetings with your contributors?

3733 A Yes.

3734 Q In late 1985, did Richard Miller speak to you about  
3735 the possibility of retaining as a consultant a former  
3736 personal aid to the President named David Fischer?

3737 A He did.

3738 Q Now did that subject come up?

3739 A Mr. Miller was aware that, as is everybody in

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3740 Washington, that it is wonderful if the President will  
3741 endorse your programs. And I had been saying to him for a  
3742 long time, I would love to be able to get some of these  
3743 people who have never met the President, who have been  
3744 giving to him for 20 years, in California and in Washington,  
3745 every direct mail letter that has his name on it, to meet  
3746 the President. If there is any way we could do that, I  
3747 would be delighted to be part of it.

3748       These people have given and supported the President to the  
3749 point of sacrifice in some instances. We talked about that  
3750 several times during 1985, and late in the year he came to  
3751 me and said, Spitz, I think I may have found a way to have  
3752 your contributors meet the President. And I said what is  
3753 that? And he said, well, I think we should discuss the  
3754 possibility of you bringing on Mr. David Fischer as a  
3755 consultant, he is an ex-private aid to the President, he  
3756 will be able to help us facilitate those meetings, none are  
3757 guaranteed, of course, but he knows the people, he knows how  
3758 to write the request, he knows the people in the White  
3759 House, and he can also help you with the programs that you  
3760 and I have discussed, there were about four or them, around  
3761 town, getting the right information, meeting the right  
3762 people outside the White House who used to work for the  
3763 White House, he can help you get contributors in California  
3764 for some of your projects, most especially the project on

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3765 the Constitution of the United States, which is a very big  
3766 project.

3767 He knows people, Spitz, that you don't know in fund  
3768 raising circles, and he would be immensely helpful, worth  
3769 his weight in gold in introducing you to people he knows all  
3770 over the United States and has met over the past seven years  
3771 of working with the President, again, especially in  
3772 California.

3773 We had very few California givers and it is a  
3774 terrific reservoir of potential money. And so Rich Miller  
3775 laid this entire feast before me and said if you will allow  
3776 me to employ him as your consultant for all of these  
3777 programs in the future and the possible meetings with the  
3778 President, we will do so.

3779 He said, I think it is a very good idea, he can  
3780 help you in a variety of ways, and if you are ever going to  
3781 get meetings with the President, with your people, there is  
3782 no better opportunity than with him.

3783 Although, again, nothing is guaranteed, and he is  
3784 out of the White House now. So, anyway--

3785 Q How did Mr. Miller say he had known Mr. Fischer, or  
3786 did he?

3787 A I don't remember.

3788 Q Did he mention anyone other than Mr. Fischer? And,  
3789 specifically, did he mention a gentleman named Marty Artiano

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3790 | who was helping David get started in business in Washington.  
3791 | and I think David had a private business office in Marty  
3792 | Artiano's office.

3793 | . A I truly don't know the extent or the depth of their  
3794 | connections. I know that they showed up together the day we  
3795 | met and I saw Marty maybe five or ten times thereafter and  
3796 | then no more.

3797 | . Q Was the proposal by Mr. Miller that you hire the  
3798 | two of them together, i.e., Mr. Fischer and Mr. Artiano?

3799 | . A I didn't get that impression. I got the impression  
3800 | I was going to take on Mr. Fischer's consultant.

3801 | . Q You say you met Mr. Fischer and Mr. Artiano shortly  
3802 | after this initial discussion with Mr. Miller?

3803 | . A Yes.

3804 | . Q Was that in December 1985?

3805 | . A Yes. Or maybe even a little earlier. The last of  
3806 | November.

3807 | . Q November or December 1985?

3808 | . A Yes.

3809 | . Q Was that at Mr. Miller's office?

3810 | . A Yes, it was, the second one.

3811 | . Q The second--

3812 | . A When I have worked with Rich he has had three  
3813 | offices. This was the second one. And they are almost all  
3814 | on the same street, so it is a disaster trying to figure out

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3815 which one. This is the second one.

3816 Q What was discussed in this meeting that you had

3817 with Mr. Fischer and Mr. Artiano and Mr. Miller?

3818 A What we have previously suggested they could do.

3819 And, actually, David Fischer said that he would have to

3820 frankly research around town and talk to people to find out

3821 if he wanted to have a political group as a client and that

3822 he would get back with us shortly on that.

3823 Q Was there any discussion of compensation in the

3824 initial meeting?

3825 A Yes. There were discussions of \$50,000 and \$20,000

3826 per month, and--

3827 Q You mean \$50,000 a month as well as 20--

3828 A No, or \$20,000 a month.

3829 Q What were you to receive for \$50,000 a month and

3830 what were you to receive for \$20,000 a month?

3831 A The same thing. It turns out it was the same

3832 thing. They tried to--

3833 Q If you were going to receive the same thing, why

3834 would you consider paying 50 instead of 20?

3835 A I didn't. I said it is impossible, we can't afford

3836 it. So we ended up paying him \$20,000 a month on retainer

3837 for, I guess, almost a year.

3838 Q Was that discussed at the first meeting with Mr.

3839 Fischer?

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3840 A Maybe. Very close thereafter.

3841 Q You say at the first meeting he needed to check out

3842 your organization and decide that if he wanted to take on

3843 this type of client--

3844 A That is right. I gather it was almost sincere, or

3845 was sincere, because I don't think Rich Miller would have

3846 brought someone up to say we should get together here and

3847 let's do it unless they were ready to do it. I think David

3848 probably said to Rich, I would like to talk to them first, I

3849 don't mind you arranging the meeting and I will tell them

3850 what I am planning to do here in Washington and see if that

3851 aligns with their programs and after I get a measure of

3852 these people I am going to go out and see what else other

3853 people say, and then come back. I think that was a sincere

3854 remark.

3855 Q Was Mr. Conrad also present at this initial

3856 meeting?

3857 A I think so.

3858 Q What did Mr. Artiano say in this initial meeting?

3859 A Not much.

3860 Q I take it there was then a subsequent meeting with

3861 the same group shortly thereafter?

3862 A Either that or--there was, yes. But I also told

3863 Rich that when David had made his decision to let us know

3864 and if it was a positive one, which it turned out to be, in

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3865 a subsequent meeting David came and did say he would go  
3866 ahead and become a consultant, we could get everything  
3867 organized, what to do.

3868 Q Was the understanding that Mr. Fischer was to be a  
3869 consultant to IBC as opposed to NEPL?

3870 A Yes. We would pay the bill to IBC. He was going  
3871 to work with us through IBC, but he would, he was not  
3872 exclusively working with us.

3873 Q So he was to work for IBC, he would be paid by IBC  
3874 and you would reimburse IBC for payments to Fischer?

3875 A At least some of them. He had other clients also.  
3876 At the same time he was working for us. He was working for  
3877 other people.

3878 There was never any--it was never mentioned, Spitz,  
3879 I will work exclusively for your organizations.

3880 Q Now, was the initial understanding in late 1985  
3881 reduced to writing?

3882 A I don't know.

3883 Q You have no recollection of a written agreement?

3884 A No, but I was not the administrator for our  
3885 organization. Don Conrad was, and he would have been  
3886 required to get that together over it. I would not have  
3887 necessarily seen him.

3888 Q Now, from the beginning was it understood that one  
3889 of the objectives of this association with Mr. Fischer was

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3890 to arrange meetings with President Reagan?

3891 A Yes. If we could. He was to make a good--what do

3892 they call it?--good faith effort.

3893 Q Did Mr. Fischer or Mr. Artiano say to you that it

3894 would cost \$50,000 a meeting with President Reagan?

3895 A Oh, yes, they discussed that.

3896 Q When did they say that?

3897 A at the very beginning.

3898 Q What did they say, as best you recall?

3899 A I don't recall the details, but that was the

3900 substance of it.

3901 Q For every meeting I set up with President Reagan,

3902 it will cost you \$50,000?

3903 A That is right.

3904 Q And was that to be in addition to the \$20,000 a

3905 month retainer?

3906 A No. That was their offer initially *to be, anything*

3907 Q Well, which was their offer initially? *meeting*

3908 A The \$50,000 was the initial offer.

3909 Q For each meeting with President Reagan?

3910 A Yes. But we didn't do that.

3911 Q You say we didn't do that. Did you reject that

3912 offer?

3913 A Yes.

3914 Q Why?

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3915 . A That was impossibly expensive.

3916 . Q But that was Mr. Fischer or Mr. Artiano's original

3917 proposal?

3918 . A It might have come through Rich Miller. I don't

3919 remember initially talking to David Fischer directly about

3920 dollars. And I really haven't thought about this for a long

3921 time. I literally haven't thought about it for a very long

3922 time. I think, frankly, we discussed money more with Rich

3923 Miller than Marty and David.

3924 . Q You understand that the agreement that was reached

3925 at some point then was a monthly retainer of \$20,000 a

3926 month?

3927 . A That is right. And that that was regardless of

3928 whether there were no meetings with the President or ten

3929 meetings with the President. It didn't make any difference.

3930 . Q Was that for a period of time?

3931 . A Well, if I was still in business we would be going

3932 on today.

3933 . Q Was there a specific understanding that this would

3934 extend for two years?

3935 . A No.

3936 . Q You have no recollection of that?

3937 . A I don't remember a time limit.

3938 . Q Do you recall a meeting that Mr. Artiano and Mr.

3939 Fischer requested later in 1986 where they reported that

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3940 | they had heard statements from you or Mr. Conrad that the  
3941 | basis of compensation was \$50,000 a meeting and they wanted  
3942 | to correct your understanding of the basis of compensation?  
3943 |     A     Off the record.  
3944 |           (Discussion off the record.)  
3945 |     MR. FRYMAN: Back on the record.  
3946 |     BY MR. FRYMAN:  
3947 |     Q     I will rephrase the question.  
3948 |     A     I was lost, that is all.  
3949 |     Q     Do you recall a meeting later in 1986 with Mr.  
3950 | Fischer and Mr. Artiano where they stated that the purpose  
3951 | of the meeting was to correct a misunderstanding that had  
3952 | been reported to them concerning the basis of compensation  
3953 | that they were receiving from NEPL? Specifically, they  
3954 | stated that you and Mr. Conrad were stating that NEPL was  
3955 | paying them \$50,000 for each meeting with President Reagan  
3956 | which they considered to be incorrect and they wanted to  
3957 | have this meeting to correct your understanding of the basis  
3958 | of compensation.  
3959 |     A     Got it. No.  
3960 |     Q     You don't recall any such meeting?  
3961 |     A     Dan Conrad would have attended a meeting about  
3962 | that, I probably wouldn't have. That was financial matters  
3963 | that I probably would not have gotten into. I do not recall  
3964 | going to any such meeting.

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3965 I know we had an initial discussion about \$50,000. We  
3966 didn't do that, so--

3967 Q Would the basis of compensation be a matter that  
3968 would also be negotiated with Mr. Conrad as opposed to you?

3969 A He did a lot of that. See, he hired a lot of our  
3970 people, he established salaries for all of our people, he  
3971 was to manage all of the employees, teach them.

3972 Q Would Mr. Conrad have the authority to negotiate  
3973 the terms of a consulting agreement with Mr. Fischer and Mr.  
3974 Artiano?

3975 A After a certain point he could finalize that.

3976 Q Could he negotiate the details of compensation?

3977 A After a certain point he could. He couldn't go out  
3978 there and say I am going to hire you and I think you are  
3979 worth so much and Spitz will love it, no.

3980 Q Well, after the decision had been made to hire  
3981 Fischer and Artiano, did Mr. Conrad have authority to agree  
3982 to pay them \$50,000 for each meeting with President Reagan?

3983 A No. He could have agreed on our behalf to pay them  
3984 something, but not that amount.

3985 Q Did he have the authority to agree to pay them on a  
3986 per meeting basis?

3987 A No. This would all be discussed with me at some  
3988 point. I mean, we would have discussed it at some point and  
3989 he would have finished up. He might have gone to them at

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3990 the beginning, to anybody, to work up a proposal. But he  
3991 was supposed to pass anything like that by me, and generally  
3992 he did.

3993 . Q Are you familiar with the amounts that NEPL paid to  
3994 IBC each month in 1985 and 1986 for the services of Mr.  
3995 Fischer and Mr. Artiano?

3996 . A No. I mean--no, not the precise amounts.

3997 . Q So I take it you are not aware of any advance  
3998 payments for their services in the range of \$50,000 each  
3999 month?

4000 . A I would not be, that is true.

4001 . Q Is that something that would come within the area  
4002 of responsibility of Mr. Conrad, to arrange for that sort of  
4003 payment?

4004 . A Yes, sometimes he would do that. He could do that,  
4005 yes. He handled IBC bills. That was part of his work for  
4006 part of the time.

4007 . Q Do you recall any discussion with Mr. Miller in  
4008 early 1986 about the need for NEPL to pay to IBC an advance  
4009 in the range of \$200,000 over a period of three or four  
4010 months on the amounts due under the agreement to Mr. Fischer  
4011 and Mr. Artiano?

4012 . A No.

4013 . Q You have no recollection of that?

4014 . A No.

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4015 . Q I take it then that you do not recall any  
4016 discussion with Mr. Miller about a meeting with President  
4017 Reagan for each month of an accelerated payment by NEPL to  
4018 IBC?

4019 . A That--each month on an accelerated payment--see, to  
4020 my knowledge, IBC just billed us every month for all of the  
4021 consulting together, and we made the check to them.

4022 . Q Well, you understood--

4023 . A And it was part of that, to my knowledge.

4024 . Q You understood that the original arrangement was  
4025 that Fischer was to be paid a \$20,000 a month retainer by  
4026 IBC?

4027 . A Right. *This was first arrangement.*

4028 . Q Which would in essence be passed on to NEPL?

4029 . A Right. Sure.

4030 . Q So you were paying IBC \$20,000 each month for  
4031 Fischer's services?

4032 . A Right. *For everything.*

4033 . Q Now, do you recall any discussion with Mr. Miller  
4034 early in 1986 where he stated that in addition to the  
4035 monthly \$20,000 payment for Mr. Fischer's services he was  
4036 going to bill you an additional \$50,000 a month as an  
4037 advance due on his obligation to Mr. Fischer?

4038 . A I don't recall that. To me, that is confusing.

4039 . Q What do you find confusing about it?

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4040 . A Why would we be paying \$50,000 in advance for a  
4041 \$20,000 bill in advance?  
4042 If that is what you mean. I may be not  
4043 understanding your question. I just don't--I don't remember  
4044 that, that is all.

4045 . Q Did Mr. Miller indicate to you that he was having  
4046 to pay to Mr. Fischer more than \$20,000 a month because of  
4047 the time that Mr. Fischer was devoting to his services for  
4048 NEPL?

4049 . A No. I never had any complaints, if you would call  
4050 that a complaint. I would call that a complaint.

4051 . Q In any case, you do not recall any discussions with  
4052 Mr. Miller about your agreeing to pay more than \$20,000 a  
4053 month if you could be guaranteed a meeting with President  
4054 Reagan for an additional payment or a payment beyond the  
4055 \$20,000 a month?

4056 . A No. No, I just--sorry.

4057 . Q Did you have direct negotiations with David Fischer  
4058 in the late spring of 1986 about a consulting arrangement  
4059 with him?

4060 . A I talked to him very frequently about a consulting  
4061 arrangement with him; a lot.

4062 . Q Did you and Mr. Fischer reach an agreement in the  
4063 late spring or summer of 1986?

4064 . A Well, I decided to pay him directly once or twice.

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4065 | just directly. David was in the process of a great deal of  
4066 | turmoil the entire time I worked with him as to what he  
4067 | really wanted to do, the limits of his consulting, who he  
4068 | wanted to work with, whether he wanted to work with  
4069 | Marriott, which he really delighted in working with it, some  
4070 | foreign governments, become a foreign agent or whatever.  
4071 | One of his stock phrases to me was, Spitz, we need to go  
4072 | have lunch, I need to talk to you about what we need to do  
4073 | in the future. And one day I said to him, David, one of  
4074 | these days you need to get organized, because every week you  
4075 | are in Washington it is a new project and a new consulting  
4076 | position, and then he would call me from time to time and he  
4077 | would say, I want to talk to you about what we are going to  
4078 | do in the future, what I can do for you in the future, and I  
4079 | had just thought we had gotten it when he would come up with  
4080 | something new, an entirely different arrangement, and I got  
4081 | the impression the entire time I worked with him he was just  
4082 | very unsettled.

4083 |           I think that he must have stopped working with  
4084 | Marty Artiano within three or four months after I met him,  
4085 | because we didn't see him anymore, didn't hear from him  
4086 | anymore, David didn't mention him anymore, anything. And  
4087 | then David, who had had an office at Marty's, has an office  
4088 | at Rich's, but David has other clients also, and David is  
4089 | calling me saying we need to work out our future. I never

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4090 was able to decide whether or not he had told Rich this,  
4091 although I do know that he had other clients in Rich's  
4092 office complex.

4093           So it was a little bit confusing to me. But I did  
4094 pay him I think two checks directly in the late summer or  
4095 fall. And then we reverted to what we had done before, I  
4096 think, was to go right back and give the money to Rich.  
4097 There might not have been another check, I am not sure. But  
4098 I did pay him directly twice.

4099           Q   What was the reason for that?

4100           A   I can't remember. I can't remember what the reason  
4101 was. I was just sitting here thinking why did we do that.  
4102 I know one time he called and asked specifically if we could  
4103 do that this month. I got--again, let me go back, I was  
4104 getting the impression he was either uncomfortable now  
4105 working with Rich or he was moving out on his own or  
4106 something, but he did call, twice as a matter of fact, and  
4107 asked for checks made out personally to him rather than  
4108 going through IBC in late summer, early fall.

4109           Q   Apart from whether or not the checks were paid  
4110 directly, am I correct from your answer that you do not  
4111 recall re-negotiating with Mr. Fischer the terms of the  
4112 original consulting agreement in the spring or summer of  
4113 1986?

4114           A   No. I think we were paying him the same amount

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4115 right until the time we had stopped. The only variance to  
4116 my knowledge was the--as I said, I think we made out two  
4117 personal checks, to checks personally to him rather than  
4118 IBC.

4119 . Q Your initial association with Mr. Fischer and Mr.  
4120 Artiano was in late 1985; is that correct?

4121 . A Yes.

4122 . Q Was one of their first activities work in  
4123 connection with the January 1986 briefing?

4124 . A They worked two months on that.

4125 . Q And that briefing was ultimately held on January  
4126 30, 1986?

4127 . A That is right.

4128 . Q Is that a briefing that President Reagan attended?

4129 . A Yes. He stopped by.

4130 . Q Is that the only NEPL briefing that he ever  
4131 attended?

4132 . A It is.

4133 . Q And is it your understanding that Mr. Fischer  
4134 arranged President Reagan's appearance at that briefing?

4135 . A That is correct.

4136 . Q Apart from the President's appearance, was the  
4137 briefing similar in format to other White House briefings  
4138 that you had on behalf of your contributors?

4139 . A Yes. And not only that, it was very similar to

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4140 other White House briefings I had gone to. It was a regular  
4141 White House format. I attended five or six presidential  
4142 briefings in two years, and they were almost exactly the  
4143 same.

4144 Q What have your meetings with President Reagan been  
4145 over the years? There was the briefing on January 30 we  
4146 have been discussing.

4147 A Yes.

4148 Q On what other occasions have you met with the  
4149 President?

4150 A I was invited to a briefing on the Geneva summit in  
4151 November of 1985. I was invited to a briefing on the--three  
4152 briefings on the freedom fighters in the Cabinet Room.

4153 Q When were those?

4154 A In 1986.

4155 Q Do you recall the month?

4156 A I think it was March and maybe April.

4157 Q You said there was a third one?

4158 A Two I think in March, and one in April. I was  
4159 invited to another one on SDI. I was invited to one on the  
4160 Saudi arms sale and the sale of the AWACS planes to Saudi  
4161 Arabia.

4162 Q That was one briefing?

4163 A Yes. And I went to a White House briefing. I am  
4164 not sure the President was there, he might have been, on

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4165 South Africa.

4166 Q When was the SDI briefing?

4167 A One was in November of 1985. And I can't remember  
4168 the other--it might have been close to, I just can't remember  
4169 when the second one was, but there have been two.

4170 Q Now, you mentioned you attended a briefing also in  
4171 November of 1985 relating to a summit. So did you--

4172 A That is the SDI briefing.

4173 Q That is the SDI briefing?

4174 A Yes. All of these meetings were held either in the  
4175 Cabinet Room or the Roosevelt Room. I have attended  
4176 probably ten meetings in Room 450.

4177 Q With the President?

4178 A Yes.

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4179 RPTS MCGINN

4180 DCMN SPRADLING

4181 [5 45 p.m.]

4182

4183 Q And what is the nature of those meetings?

4184 A His legislative agenda, human rights day, the  
4185 budget, innumerable things.

4186 Q Now, these meetings that you have described in 450  
4187 and also the other briefings, these are all meetings as a  
4188 part of a larger group; is that correct?

4189 A Oh, yes.

4190 Q Have you had any private meetings with President  
4191 Reagan?

4192 A No.

4193 Q Did you participate in any private meetings that he  
4194 had with contributors to your organization?

4195 A No.

4196 Q Have you had any phone conversations with President  
4197 Reagan?

4198 A He called me in June of '86 once.

4199 Q Were you at your office at the time?

4200 A Yes, I was.

4201 Q Do you know what prompted that call?

4202 A Yes. I wrote him a letter and told him that I had  
4203 analyzed the Nicaraguan legislation, the quagmire the

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4204 Nicaraguan legislation was sitting in and suggested that if  
4205 he wanted to get it off dead center he adopt the following  
4206 seven proposals. And he called me to discuss them.  
4207 . Q Had you received advance notice that he would be  
4208 calling?  
4209 . A Yes. I was told that he might call sometime that  
4210 week.  
4211 . Q Who told you?  
4212 . A David Fisher told me they had gotten a letter, that  
4213 he might call. If he was going to call, he might call that  
4214 week.  
4215 . Q In the group briefings that you have referred to  
4216 were there any occasions where the President specifically  
4217 referred to you or spoke to you directly in those briefings?  
4218 . A Other than to answer or respond to a question I  
4219 had, no.  
4220 . Q Do you recall his thanking you in one of those  
4221 meetings for some advertisements that your organization had  
4222 run?  
4223 . A Well, only in my meeting, the NEPL meeting did he  
4224 thank us for what we had done before.  
4225 . Q Not in these other briefings?  
4226 . A No.  
4227 . Q Now, the January 30th White House briefing, it's  
4228 your understanding that Mr. Fisher arranged the President's

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4229 appearance at that briefing. Did you also ask Mr. Fisher to  
 4230 arrange private meetings between the President and  
 4231 substantial contributors to your organization?

4232 A Yes.

4233 Q And was Mr. Fisher able to arrange such meetings?

4234 A He was, several.

4235 Q Do you recall the ones that he arranged?

4236 A Oh yes, sure.

4237 Q Which contributors met, to your recollection?

4238 A The Driscolls, Mrs. King, Mrs. Newington, the  
 4239 ~~Warrens~~ <sup>Warms,</sup> Ellen Garwood, Bunker Hunt, Bill O'Neill, Fred  
 4240 Sacker. He facilitated all of those.

4241 Q Had each of those individuals contributed more than  
 4242 a hundred thousand dollars to NEPL?

4243 A Yes.

4244 Q Had each contributed more than 200,000?

4245 A I'm missing one, the Pentacosts. Now the answer is  
 4246 no.

4247 Q Which had not contributed more than 200,000?

4248 A The Pentacosts did not contribute a hundred  
 4249 thousand and the Driscolls had not contributed 200,000 at  
 4250 that time. I'm trying to think of the times they had the  
 4251 meetings because it would have been relevant to me if they  
 4252 gave a lot afterwards. I'm trying to remember when those  
 4253 meetings occurred. I can't remember all the names, but

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Mean  
 "O'Reilly"  
 (i)

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4254 those are two that were under 200,000. The rest gave much  
 4255 higher than that, 500,000 and up. By the time they had seen  
 4256 the President, they had given much more than that.  
 4257 Q So Mrs. King was more than 500,000 when she met the  
 4258 President?  
 4259 A No.  
 4260 Q Let's use the figure 300,000. Was Mrs. King more  
 4261 than 300,000?  
 4262 A She would have been very close to 300,000. She was  
 4263 not one of my contributors and so my memory for her figures,  
 4264 <sup>when</sup> ~~where~~ money came in is very vague.  
 4265 Q Who was the fund raiser assigned to Mrs. King?  
 4266 A Cliff Smith. But she would have been close to  
 4267 300,000 I would think.  
 4268 Q Mrs. Newington I take it had contributed more than  
 4269 300,000.  
 4270 A Oh yes, way over.  
 4271 Q And that's also true of the <sup>Warms,</sup> ~~Warms~~, Mr. and Mrs.  
 4272 <sup>Warms</sup> ~~Warren?~~  
 4273 A Yes.  
 4274 Q Mrs. Garwood had contributed--  
 4275 A I'm not sure the <sup>Warms</sup> ~~Warms~~ had given 300,000 yet, but  
 4276 we had asked them to send stock later. This was I think in  
 4277 January and they wanted to do it later and we were going to  
 4278 need it later, so the fact that they hadn't given much then

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4279 was irrelevant.

4280 Q There had been a commitment for an amount of

4281 300,000?

4282 A More than that.

4283 Q More than that?

4284 A Oh, yes, sir, more than that.

4285 Q And Mrs. Garwood had given more than 300,000?

4286 A Oh, yes, much more.

4287 Q Mr. Hunt had given more than 300,000?

4288 A Oh yes.

4289 Q What about Mr. O'Neil?

4290 A By that time much more than that, yes.

4291 Q And Mr. Sacker?

4292 A Yes.

4293 Q And the Pentecosts had not?

4294 A They didn't give a hundred thousand.

4295 Q Was it your understanding that there was no

4296 official White House record maintained of these private

4297 meetings?

4298 A I thought there was always a record of everybody.

4299 Q Did you ever indicate to Mr. O'Boyle that such

4300 meetings would not be--would not appear in the White House

4301 records?

4302 A No. I mentioned to him that this would not be an

4303 official meeting, that the press would not be invited in.

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4304 . Q But you don't recall saying anything that there  
4305 would not be a written record?

4306 . A You can climb in the window. No.

4307 . Q Going back to your conversation with Mr. O'Boyle, do  
4308 you recall saying anything to him about secrecy being  
4309 maintained with respect to his hotel bills when he was  
4310 staying in Washington?

4311 . A I said to many people we will pay for your hotel  
4312 bill because of the support you are giving us. We would  
4313 prefer to just go ahead and pay for it.

4314 . Q Do you recall saying more than that, that there  
4315 would not be any record of his staying in the hotel in  
4316 connection with these meetings?

4317 . A That just--I don't remember that. I don't know how  
4318 you could stop ~~there~~<sup>them</sup> from being a record.

4319 . Q You do recall saying to Mr. O'Boyle that it might  
4320 be possible to arrange a meeting between him and the  
4321 President if he made a substantial contribution?

4322 . A Oh yes. If he would be willing to help more.

4323 . Q But you don't recall mentioning the figure \$300,000  
4324 to him?

4325 . A No, I don't.

4326 . MR. FRYMAN: I ask the reporter to mark as Channell  
4327 Deposition Exhibit 1 for identification a group of documents  
4328 which have been reproduced from the documents produced by

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4329 Mr. Channell's counsel in response to subpoenas from the  
4330 House and Senate committees. At the front of this volume of  
4331 documents is a list of the identification numbers on each of  
4332 the sheets of paper that were placed on the documents by Mr.  
4333 Channell's counsel. There's also an indication of the date  
4334 of the document. Where it's possible to determine the date,  
4335 the general effort has been to organize the materials in  
4336 this volume in chronological order.

4337 . [Channell Deposition Exhibit No. 1 was marked for  
4338 identification.]

4339 . BY MR. FRYMAN:

4340 . Q Mr. Channell, would you look at Deposition Exhibit  
4341 1 for identification and I first direct your attention to  
4342 the sheets in the back of the volume which contain  
4343 handwritten notes. The first of those has the  
4344 identification number 79113 at the bottom. I believe that  
4345 note is not your handwriting; is that correct?

4346 . A That's correct.

4347 . Q Do you recognize that to be anyone's handwriting?

4348 . A I don't, unless it's Dan Conrad's, I don't know.

4349 . Q You are not sure of the handwriting?

4350 . A No.

4351 . Q Would you turn to the next page which has the  
4352 number 31642 at the bottom and has at the top ATAC-Maryland.  
4353 Is that your handwriting?

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4354 . A Yes.

4355 . Q And turn to the next page which has the number

4356 37775. Is that also your handwriting?

4357 . A Yes.

4358 . Q And the next two pages, which are 75935 and 75936,

4359 is that your handwriting?

4360 . A Yes, the first page is and the second.

4361 . Q Finally, the last page which is 81288, is that your

4362 handwriting?

4363 . A Yes.

4364 . Q All right. Now let's review the pages that you

4365 have identified as your handwriting and we will return to

4366 the first of those pages which is 31642, and has ATAC-

4367 Maryland at the top. What does that refer to?

4368 . A This is the Anti-Terrorism American Committee.

4369 . Q And what is the significance of the state Maryland?

4370 . A We hoped to do a campaign in Maryland.

4371 . Q Now, under that is listed the names of various

4372 individuals and what appear to be indications of amounts of

4373 money; is that correct?

4374 . A That's right.

4375 . Q And do those amounts total 43,500 or 47,500?

4376 . A Right. I hope so.

4377 . Q At least you have indicated that on the sheet.

4378 . A Exactly.

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4379 Q now what are those contributions or what are those  
4380 references above that total?

4381 A Either we got that amount for ATAC eventually in  
4382 soliciting or I was hoping to ask those people for that  
4383 amount for ATAC.

4384 Q Do you know which it was?

4385 A I think it was a hope.

4386 Q Now, beneath that total there's a line that appears  
4387 to me to state Green and then a dollar sign; is that  
4388 correct?

4389 A Yes.

4390 Q What does that refer to?

4391 A This would mean money for spacial projects.

4392 Q Now, would you identify the individuals listed  
4393 under that heading and the amounts.

4394 A You mean you want the full names?

4395 Q Yes. Just identify--the first one is Barbara.  
4396 Would you just identify who that refers to and the amount?

4397 A Yes. Barbara Newington at \$150,000, Ellen Garwood  
4398 at \$200,000, Bill O'Boyle, \$50,000, Mel Salvesser at  
4399 \$50,000, Mrs. Anderson at \$20,000, Tom Claggett at \$20,000,  
4400 Mrs. Alles at \$5000, General Bennett at \$5000, Bill Bush  
4401 \$1000, Mrs. King, \$80,000 and Mr. Ledbetter, \$5000.

4402 Q Now, you have the group beginning with Mrs.  
4403 Newington and ending with Mr. Bush listed on the left-hand

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4404 column and you have that as a total indicated of 501,000.

4405 A That's right.

4406 Q Then you have Mrs. King and Mr. Ledbetter

4407 separately in the right-hand column with a total of \$85,000.

4408 Is there any significance to the two separate columns?

4409 A I have no idea.

4410 Q And then you indicate a grand total of \$586,000.

4411 [Witness nodded affirmatively.]

4412 Q Now, are these amounts that each of these

4413 individuals gave for special projects for Colonel North?

4414 A I have no idea.

4415 Q Do you recall making these entries?

4416 A Yes.

4417 Q What do you recall they are?

4418 A I have no idea. I mean to me this looks like a

4419 projection for the future, not something that they have

4420 already done. I truly don't know. When you realize that

4421 many of these people gave every month and I was continually

4422 making up budgets, I truly have no idea.

4423 Q Do you recall when you made this list?

4424 A No. It would have to be sometime after ATAC of

4425 course was formed, which would have been easily late spring

4426 of 1986.

4427 Q So this would have been no earlier than the summer

4428 of 1986?

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4429 A Or the late spring, yes.

4430 Q Late spring or summer?

4431 A Uh-huh.

4432 Q Now green dollars refers to projects of Colonel

4433 North. Is that correct?

4434 A Yes. That might be projects that I wanted him to

4435 participate in as well.

4436 Q Such as what?

4437 A For instance, if this was for a terrorist film, it

4438 was my idea to have him help us make a terrorist film and

4439 for him to narrate it. This was one of our projects. You

4440 will note that the amounts of my major people are extremely

4441 small, relatively. Salwasser, Anderson and Claggett being

4442 circled are circled because they were not my contributors

4443 and Mrs. King and Mr. Ledbetter are on the right side

4444 because they are not my contributors.

4445 Q Well, in looking at this is your recollection

4446 refreshed as to what project this does refer to?

4447 A No. But I do not believe this was a project with

4448 Nicaragua.

4449 Q All right.

4450 Would you return to the--

4451 A We have people on here who did not like to give to

4452 Nicaragua. That's why.

4453 Q Who were those contributors?

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4454 A Mrs. Alles, General Ben<sup>ntt</sup>, Mr. Bush are at least  
4455 three people who are not interested in giving to Nicaragua.  
4456 We were aware last spring that Bill O'Boyle was not going to  
4457 participate in Nicaragua any more and he is listed here.  
4458 The amount--so I'm sorry but I don't think it was Nicaragua.  
4459 Q All right.  
4460 Turning to the next page which has your control  
4461 number 37775 on it, would you just read for the record what  
4462 you have written on that page?  
4463 A The top line says, "New list of dollars or for  
4464 dollars." The second line says "Worldwide fund raising  
4465 dollars." Third line says "New list of Toys next  
4466 Monday." The fourth line says "Trips for dollars." The  
4467 fifth line says "Letter from Ollie to people." The sixth  
4468 line says "How much does Elliott know" and above, "very  
4469 little".  
4470 The seventh line I guess said "Aid request in  
4471 dollars", and then there's a hundred million below that,  
4472 the word "Perot" is listed to the right and below that is  
4473 the phrase "David Fisher and Marty-no."  
4474 Q Now, do you recall making these notes?  
4475 A They are my notes.  
4476 Q Do you recall approximately when you made them?  
4477 A I think they were in late fall.  
4478 Q Of what year?

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4479 . A 1985 or like December of 1985?

4480 . Q Now, what is the first line, 'New list of

4481 dollars' refer to?

4482 . A I have no idea. It could have been <sup>5</sup>five or six

4483 different projects.

4484 . Q What does the next line, 'Worldwide fund raising

4485 dollars' refer to?

4486 . A This would be trying to put together a list of

4487 people all over the world from whom we could raise money.

4488 . Q For

4489 NEPL?

4490 . A Not necessarily.

4491 . Q For some organization.

4492 . A One of my organizations, yes.

4493 . Q How did you go about putting together such a list?

4494 . A We never got one.

4495 . Q This was an idea that was never implemented?

4496 . A All of these are ideas, a list of ideas.

4497 . Q What is the next entry, 'New list of Toys', refer

4498 to?

4499 . A This would refer to a list of military or hardware

4500 needs of the freedom fighters.

4501 . Q And was this a list that you were going to obtain

4502 from Colonel North?

4503 . A Could have. It could have meant that.

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4504 Q Did you ever obtain a list of military needs from  
4505 Colonel North?  
4506 A Never.  
4507 Q Why is there a reference to a new list of toys here  
4508 then?  
4509 A Because we had raised money in the fall mostly for  
4510 airplanes and I felt that we would need some new ideas for  
4511 1986 and we were going to talk to Adolfo as well as Ollie  
4512 about--I mean in the fund raising profession if you keep  
4513 raising money for the same thing over and over and over and  
4514 you started to raise money for a limited quantity to begin  
4515 with, people are eventually going to say what's wrong. So  
4516 we were hoping for something new.  
4517 Q Had Colonel North, in various of his meetings with  
4518 your contributors, in the fall of 1985 where he had  
4519 discussed military weapons, been working from the same list  
4520 in those various meetings?  
4521 A I have no idea.  
4522 Q I'm trying to understand why you felt you needed a  
4523 new list of military weapons from him at this point.  
4524 A It to me is--it's a fund raising technique problem.  
4525 It's time to have something new to raise money for.  
4526 Q There's a reference beside that to next Monday,  
4527 which I interpret relates to the new list of toys. Is that  
4528 your indication?

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4529 A Yes. That's right.

4530 Q Do you recall talking to Colonel North about

4531 obtaining a new list of military needs?

4532 A No.

4533 Q And I take it you do not recall receiving such a

4534 list?

4535 A No. We never did.

4536 Q What again does the next line say?

4537 A "'Trips for dollars'".

4538 Q What does that refer to?

4539 A Going out of town for fund raising.

4540 Q Is that trips by Colonel North?

4541 A It could have been.

4542 Q Do you recall?

4543 A I am not sure. It might have meant trips for us.

4544 for Dan and me to fly around the country for money.

4545 Q The next line is "'Letters from Ollie to people'"

4546 A Yes.

4547 Q What does that refer to?

4548 A Well, if this was--if I'm accurate in thinking this

4549 is December, we were probably thinking that he would want to

4550 send a thank you letter or some letter for Christmas to our

4551 major givers.

4552 Q Did he send such letters?

4553 A I don't think so. At that time, the timing. He

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4554 | probably sent something early in '86 but it wasn't at that  
4555 | time.

4556 |       Q    The next line is "'How much does Elliott know'" and  
4557 | then you have written "'very little'".

4558 |       A    Yes.

4559 |       Q    Elliott refers to Elliott Abrams?

4560 |       A    I think so.

4561 |       Q    What does that entry refer to?

4562 |       A    I can only assume that it would refer to what we  
4563 | are doing with Ollie other than our television programs and  
4564 | things like that. That's all I have been able to figure out  
4565 | about that.

4566 |       Q    So you are writing a note to yourself asking how  
4567 | much does Abrams know about your work with North other than  
4568 | fund raising for television at this point.

4569 |       A    Well, I was going to ask Ollie that myself. how  
4570 | much does he know.

4571 |       Q    In other words, did you have in mind how much does  
4572 | he know about the fund raising for military equipment?

4573 |       A    Yes. That's what I was going to ask.

4574 |       Q    Well, is the entry up there very little, does that  
4575 | indicate an answer from Colonel North?

4576 |       A    I don't know. I truly don't know. When I looked  
4577 | at this note one time I thought of course it does. But then  
4578 | I realized that these other things should have been answered

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4579 ahead of it and are not.

4580 Q Is the word beside the letters from Ollie to

4581 people, does that say doable?

4582 A It can. That very well may be what it is but I

4583 can't see it because mine is so dark.

4584 Q Is the entry next month beside new list of Toys,

4585 does that appear to you to be an answer as to when you will

4586 obtain a new list of toys?

4587 A Again that could have been.

4588 Q Then the next line has "Aid request dollars" and

4589 you have written in a hundred million dollars after that.

4590 A Right.

4591 Q And then out to the side there's written "Perot".

4592 A Yes.

4593 Q What is the reference to Perot about?

4594 A I have no idea. We had asked Ollie several times

4595 if he could get us an introduction to Ross Perot so that we

4596 could tell him what we were doing, the whole spectrum of our

4597 activities, and he said he could do it. But he said that

4598 over a six-week period after we had asked three or four

4599 times. And the aid request refers to the hundred million

4600 dollars that in January the Administration requested.

4601 Q And the last line has a "no" written by Dave

4602 Fisher and Marty. What does that refer to?

4603 C A I truly don't have any idea.

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4604 [Whereupon, at 6:15 p.m., the deposition was

4605 recessed, to reconvene Wednesday, September 2, 1987.]

4606

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1 RPTS MAZUR  
2 DCMK DOMOCK

ORIGINAL

3  
4 DEPOSITION OF CARL R. CHAMMELL

5  
6 Wednesday, September 2, 1987

7  
8 House of Representatives,  
9 Select Committee <sup>to</sup> on Investigate  
10 Covert Arms Transactions with Iran,  
11 Washington, D.C.

12  
13 The select committee met, pursuant to call, at 9:00 a.m.,  
14 in Room 2247, Rayburn House Office Building, Thomas Fryman  
15 [Staff Counsel to the House Select Committee] presiding.  
16 Present: On behalf of the House Select Committee: Thomas  
17 Fryman, Staff Counsel; Kenneth R. Buck, Assistant Minority  
18 Counsel; and Spencer Oliver, Associate Counsel.  
19 On behalf of the Senate Select Committee: A. Thomas  
20 McGough.  
21 On behalf of the Witness: Alexia Morrison, Attorney-at-  
22 Law, Swidler & Berlin, Washington, D.C.

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4101

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23 . MR. FRYMAN: On the record.

24 . Before beginning today, I want to state for the  
25 record that prior to the commencement of the deposition of  
26 Mr. Channell, I gave to Ms. Morrison, Mr. Channell's  
27 attorney, a copy of the immunity order concerning Mr.  
28 Channell, as well as a copy of the resolution establishing  
29 the House Select Committee and a copy of the Rules of the  
30 House Select Committee.

31 . Mr. Channell, returning to Channell Deposition One  
32 for identification, which we were discussing at the time we  
33 adjourned yesterday, would you look again in the back of  
34 that volume, and the handwritten notes beginning three pages  
35 from the back, which have the volume numbers 75935 and  
36 75936, and I believe you identified those pages as in your  
37 handwriting; is that correct?

38 Whereupon,

39 . CARL R. CHANNELL  
40 was recalled ~~and~~ as a witness and, after having been  
41 previously duly sworn, was examined and testified further as  
42 follows:

43 . THE WITNESS: Right.

44 EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

45 . BY MR. FRYMAN:

46 . Q Would you read the handwriting that is on page  
47 75935, for the record?

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48 . A I think it says Bruce One--if you can help me--I think  
49 it is optimism--Cuban split Sandinistas--it may be  
50 numbers--player for freedom numbers.

51 . Q After that, does it say Congress acts?

52 . A Congress acts, yes, and down below, it is  
53 credibility of Ronald Reagan's peace efforts, and number two  
54 is something program of contras, character of the movement.  
55 Number three is more smoking guns, objective reporting of  
56 eastern ties. Number four is internal repression aspects.

57 . Q Then after the term eastern ties in number three,  
58 there is an arrow and some additional text there. What does  
59 that say?

60 . A Must convey threat to United States interests.  
61 Panama Canal and allied nations develop the threat.

62 . Q And then at the bottom of the page, is there a  
63 section beginning "'possible commercials'?"

64 . A Right. Family at--looks like break, but priest in  
65 jail, equipment coming off or out of--and Indians getting  
66 murdered.

67 . Q Now, the reference at the top of the page to Bruce  
68 Roman I, who does that refer to?

69 . A This is a briefing that I had from Bruce Cameron,  
70 and I was taking notes on what he was saying about the  
71 history of our interactions with the Sandinista regime. He  
72 was sort of giving me a lecture on important elements of

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73 | this whole debate.

74 |     Q     Do you recall the approximate date of this briefing

75 | and these notes?

76 |     A     No. It would have been, however, around the

77 | beginning of 1986.

78 |     Q     Who was Bruce Cameron?

79 |     A     He is a Latin American specialist here in

80 | Washington.

81 |     Q     Was he at some point retained as a consultant by

82 | MEPL?

83 |     A     Yes.

84 |     Q     At the time he gave you this briefing, had he been

85 | retained by MEPL?

86 |     A     Well, we began to pull aboard some of these people

87 | right at the beginning of 1986, so if it isn't, it is very

88 | close.

89 |     Q     Now, the references at the bottom to possible

90 | commercials, were those suggestions by Mr. Cameron or were

91 | those your ideas, or was it something else?

92 |     A     I think what this probably was was after I had heard

93 | him speak, we discussed ideas for messages, and of the ones

94 | we discussed, I wrote four down. Must not have been very

95 | good. We didn't do any of those.

96 |     A     Actually, indeed, it has to be early 1986, because

97 | later in 1986, we had the commercials done, so this is still

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98 | very early.

99 | . Q Turning to the next page, 75936, that has the entry

100 | at the top that "types who may be invited to dinner."

101 | What do those notes on that page refer to?

102 | . A I am just guessing that this is sort of an outline

103 | or something that I was writing for myself.

104 | . Q Do you know what the dinner is?

105 | . A Well, I am guessing that it was the dinner after the

106 | speech by the President to our group on the 3rd of January.

107 | . Q And underneath that are notes of possible invitees

108 | to that dinner?

109 | . A The types of--

110 | . Q The types of invitees.

111 | . A Yeah, that we would try to think of that might like

112 | to come.

113 | . Q And at the bottom, there are further notes by you of

114 | things to do in connection with that dinner.

115 | . A Yes.

116 | . Q Now, turning to the last page in the volume, which

117 | is numbered 81288, that is headed at the top "White House

118 | Briefing II." What does that refer to?

119 | . I might also add that further down the page, there

120 | is another entry, "White House Briefing III."

121 | . A Um-hum.

122 | . Q Were these briefings that you were contemplating in

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123 | addition to the January 30 briefing with the President? In  
124 | other words, were these proposed additional briefings with  
125 | the President?

126 | . A Well, we didn't really propose more than one  
127 | briefing on Micaragua with the President, but we had these  
128 | meetings, you know, at the OEOB, which are called White  
129 | House Briefings.

130 | . Q So, is it your recollection that these notes refer  
131 | to a briefing with some White House employee and not the  
132 | President?

133 | . A Yes, it says, OEOB there.

134 | . Q Now, it says down at the bottom July 17 or 18.

135 | . A Right.

136 | . Q To what year does that refer, do you believe? Would  
137 | that be--

138 | . A 1985.

139 | . Q So, this would be notes relating to the very early  
140 | briefings at the White House?

141 | . A That is right.

142 | . Q And your first one was in, I believe--

143 | . A 27th of June 1985.

144 | . Q And these are notes relating to a proposed second  
145 | and third briefing following that in June or July of 1985;  
146 | is that correct?

147 | . A Yes. As you know, the House voted on the freedom

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148 fighter bill the 26th or 27th of June 1986, and it was over,  
149 so this would have been--I mean useless then for July.

150 . Q Now, the entry under White House Briefings II in  
151 your handwriting states, EOB, which I take it refers to  
152 Executive Office Building?

153 . A Um-hum.

154 . Q And then it states 20 individuals at \$10,000 each.

155 . A Um-hum.

156 . Q And I believe under that it says also appear at  
157 dinner?

158 . A Calero.

159 . Q Oh, Calero at dinner.

160 . A Which he had the first briefing.

161 . Q What does the line 20, individuals at \$10,000, mean?

162 . A I was trying to think of a budget that we could put  
163 together and how much we could bring in with a small group  
164 of people.

165 . Q So, are you indicating there that anyone who attends  
166 this briefing would be expected to contribute \$10,000?

167 . A We would try to raise \$10,000 for our programs from  
168 each of those individuals. The reason why each is  
169 underlined is because sometimes people brought their wives,  
170 but if you are going to limit it to 20 people, each person  
171 counts.

172 . I am sure you will find throughout all the documents

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173 of mine, you will find I am continually bringing 20 people,  
174 10,000; 15 people, 15,000, trying to bring a budget  
175 together.

176 . MR. FRYMAN: Off the record.  
177 . [Discussion off the record.]

178 . BY MR. FRYMAN:

179 . Q What is the writing on the next line on that page?  
180 . A White House Briefing III, July--  
181 . Q No, above that it reads--the last words in the line  
182 are White House.

183 . A Something into somewhere in White House Briefing in  
184 EOB.

185 . Q Do you recognize the first word?  
186 . A Maybe it is slot--no.  
187 . Q All right.

188 . Turning then, again, to the page of notes which you  
189 said was not in your handwriting which has the  
190 identification number 79113, and has the date indicated at  
191 the top, 4-7-85, though the 4 is not completely reproduced,  
192 but that is on the original.

193 . There is an entry on the bottom numbered one and  
194 two, which states, to raise \$50 K for their projects, and  
195 then number two, \$30 K as their fee for the authorization.  
196 Do you know what that refers to--what those entries refer to?  
197 . A This is not my note.

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198 Q I realize that.

199 A And so, I am going to--you know, the 30--I don't know  
200 what number one means except that when Dan was negotiating  
201 with Rich Miller, this figure of \$50,000 was what was  
202 suggested that we as an organization raise to support Calero  
203 as a grant, and then the number two, the \$30,000 as their  
204 fee for the authorization, is I think part of the \$50,000,  
205 and then when we raised the \$50,000, they were going to  
206 get--Rich Miller was going to get \$30,000 to get us the  
207 exclusive authorization to raise money for the freedom  
208 fighters in the United States.

209 I don't know whether you call it a finder's fee or--

210 Q Now, does this relate to the \$50,000 check that you  
211 gave to Mr. Calero, payable to 

212 A Later.

213 Q Later?

214 A It may.

215 Q It may.

216 A This was three months before that happened, and  
217 we--it may. I really--the \$50,000 that we gave to Adolfo,  
218 frankly, happened to be the amount of money that we raised  
219 for that event that night by accident. I mean, we were  
220 going to give him everything we raised.

221 Q So, there is no direct relationship between this  
222 reference and that amount?

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223 . A I don't think so, no.

224 . Q But it is your recollection that in an early meeting

225 with Rich Miller, he asked that your organizations raise

226 \$50,000 for Mr. Calero?

227 . A Right.

228 . Q And it was your--

229 . A Minimum.

230 . Q Minimum of \$50,000.

231 . A Yes.

232 . Q And it was your understanding that he indicated in

233 that conversation that of that initial \$50,000, \$30,000

234 would go to Mr. Miller?

235 . A Possibly.

236 . Q Well, what do you mean by that?

237 . A Well, I mean that is what could have been part of

238 the--I did not know what they were going to do with the

239 \$50,000. I didn't know whathar Adolfo was going to give it

240 back to Rich or not.

241 . Q But apart from this note, Mr. Channell, let me just

242 question you about your recollection of your conversation

243 with Mr. Miller. You recalled Mr. Miller, in one of the

244 initial or early meetings, asking your organization to raise

245 \$50,000 for Mr. Calero, or at least \$50,000; is that

246 correct?

247 . A Right.

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248 . Q And is it correct that there was also a discussion  
249 with Mr. Miller about payment to his organization of a  
250 \$30,000 fee to obtain an authorization from Mr. Calero for  
251 you to raise funds on Calero's behalf?

252 . A Yes.

253 . Q That is your recollection of a conversation with Mr.  
254 Miller?

255 . A Yes.

256 . Q Now, how was that \$30,000 fee to be paid?

257 . A I don't remember whether it was to be paid with fees  
258 over a period of time or there was just one check.

259 . Q Was it to be deducted from the funds that you raised  
260 for Mr. Calero?

261 . A I don't remember that.

262 . Q You are not certain of that?

263 . A Um-hum.

264 . Q But your recollection is that there was to be a  
265 \$30,000 fee to Mr. Miller?

266 . A That is right.

267 . Q To obtain authorization from Mr. Calero for you to  
268 raise funds for Mr. Calero?

269 . A Yes.

270 . Q Now, was that \$30,000 ever paid by you or your  
271 organizations--

272 . A I don't know.

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273 . Q --for that purpose?

274 . A I don't know.

275 . Q Mr. Channell, we talked yesterday about your  
276 association with MCPAC, M-C-P-A-C, and Terry Dolan. Did the  
277 organizations that you subsequently founded, NEPL and ACT,  
278 work with Mr. Dolan or MCPAC in connection with lobbying for  
279 the contra legislation in 1986 in any way?

280 . A I put Mr. Dolan on a consultant retainer to work  
281 with us. He met with us several times and did a report for  
282 me--I can't remember everything that is in the report--on the  
283 attitudes that he found in the conservative movement, the  
284 press, the television media, the Congress, conservative  
285 leaders, toward the type of legislation that the President  
286 was proposing.

287 . Q Well, apart from that report, and we will come to  
288 that later.

289 . A Okay.

290 . Q Was there any other coordination?

291 . A No.

292 . Q With MCPAC?

293 . A No. I urged him to do something every time I talked  
294 to him, but that is all.

295 . Q All right.

296 . A I don't think they did.

297 . Q What about--what about expenditures or advertisements

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298 | in connection with Congressional campaigns in 1986? Was  
299 | there any coordination between you and your organizations  
300 | and NCPAC?

301 | . A No.

302 | . Q Are you aware of any advertisements, and I am  
303 | speaking now of both television and newspaper  
304 | advertisements, that NCPAC paid for in connection with a  
305 | Congressional race in Arkansas involving Bill Alexander?

306 | . MS. MORRISON: Can we identify what this has to do  
307 | with contra fund-raising?

308 | . MR. FRYMAN: Well, the ads I am referring to center  
309 | on Mr. Alexander's--

310 | . THE WITNESS: Plane ride--

311 | . MR. FRYMAN: His position on the Nicaragua issue and  
312 | his vote on contra aid, and I--

313 | . THE WITNESS: I thought it was a plane ride that he  
314 | took.

315 | . MR. FRYMAN: No.

316 | . THE WITNESS: The answer is no. I still think it  
317 | was a plane ride. Didn't he take--maybe we could have an off-  
318 | the-record here. Didn't he take a free plane ride  
319 | someplace?

320 | . BY MR. FRYMAN:

321 | . Q What is your understanding of the issue--

322 | . A I thought he took a plane ride, a free plane

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323 | someplace. I just read about it in the newspapers.  
324 | . Q Did your organizations sponsor any television  
325 | advertisements directed toward Mr. Alexander's District?  
326 | . A No.  
327 | . Q Did your organization buy ads on the Memphis  
328 | television station?  
329 | . A Yes, someplace in Memphis we did.  
330 | . Q And were those purchased with the intention of  
331 | directing an advertisement into Mr. Alexander's District in  
332 | Arkansas?  
333 | . A No.  
334 | . Q Do you know an individual named Jim Bronte?  
335 | . A No.  
336 | . Q B-r-o-n-t-e?  
337 | . A No.  
338 | . Q Are you aware that Mr. Bronte or a foundation which  
339 | he was associated was paying for any advertisements in any  
340 | Congressional elections in 1986?  
341 | . A No.  
342 | . Q Do you know a Darryl Glascock, G-l-a-s-c-o-c-k?  
343 | . A No.  
344 | . Q Have you ever heard of Mr. Glascock?  
345 | . A No.  
346 | . Q So, I take it to your knowledge, you have never met  
347 | with a Mr. Glascock?

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348 . A No.

349 . Q Did you ever travel to Arkansas in 1985 or 1986 in  
350 connection with the election campaign involving Bill  
351 Alexander?

352 . A No.

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353 RPTS CANTOR

354 DCMN MILTON

355 [10:00]

356

357 . Q Do you know if any of your organizations ever paid  
358 for any advertisement or any campaign expense in support of  
359 the opponent of Mr. Alexander?

360 . MS. MORRISON: We are not going to talk about any  
361 organization that he has ever had any affiliation with. WE  
362 are going to talk about the time period that is relevant to  
363 this inquiry. We are going to talk about issues that are  
364 related to the contras.

365 . MR. FRYMAN: Fine. I will limit the question to  
366 1985 and 1986.

367 . THE WITNESS: No.

368 . BY MR. FRYMAN:

369 . Q Do you know an individual named Henry Loeb?

370 . A Is that the--

371 . Q This is an individual who lives in Arkansas.

372 . A Oh, no. I thought it was the editor of the  
373 Manchester Union Guardian.

374 . Q Do you know Louis Lehrman?

375 . A Lou Lehrman, the guy from New York?

376 . Q Yes, who has the organization Citizens for America.

377 . A I have met him, yes.

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378 . Q Do you know an individual named Dan O'Connell?

379 . A No.

380 . Q To your knowledge, was there any coordination

381 between your organizations and Mr. Lehrman's organization in

382 connection with lobbying or other support for the Nicaraguan

383 legislation?

384 . A No.

385 . Q Mr. Channell, there was a published report in a

386 newspaper named the Lowell Sun, that profits from the Iran

387 arms transactions had been diverted to your organizations

388 and were used in either political campaigns or in some

389 manner in support of the President's Nicaragua policy, and

390 as I understand it, you have denied those allegations. And

391 my question is, to your knowledge, was there any such

392 diversion of funds to any of your organizations or to you

393 personally?

394 . A Never.

395 . Q Are you aware of any information indicating any

396 diversion of Iran arms sales profits to any other domestic

397 organization in the United States?

398 . A No.

399 . Q Specifically, are you aware of any diversion of

400 such profits in any way to MCPAC or Terry Dolan or anyone

401 associated with them?

402 . A No.

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403 . Q Are you aware of any information indicating that  
404 any of the profits from the Iran arms sales were used to  
405 purchase advertising time on television stations for ads  
406 prepared for your organizations by the Robert Goodman  
407 Agency?

408 . A No.

409 . Q Returning to Exhibit 1 for identification, Mr.  
410 Channell, and if you would turn to the front of the exhibit  
411 at this point, and I direct your attention to the third item  
412 in the book, which is a memorandum dated April 19, 1985, to  
413 Dan Spitz and Craw, and it appears to be signed at the  
414 bottom Adam G. Does that refer to Adam Goodman?

415 . A Yes.

416 . Q Now, there is a reference in that memorandum where  
417 Mr. Goodman says he is enclosing a summary of the research  
418 used to define the TV markets selected to reach the 21  
419 targeted congressmen, per Rich Miller.

420 . A Yes.

421 . Q How did you understand this targeting was done?

422 . A I think we discussed that quite extensively  
423 yesterday.

424 . Q I am focusing now in connection with the targeting  
425 in 1985, and the reference in Mr. Goodman's memorandum to 21  
426 targeted congressmen, per Rich Miller.

427 . MS. MORRISON: He just told you he explained that

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428 | to you.

429 |       THE WITNESS: That was what we discussed yesterday.

430 |       BY MR. FRYMAN:

431 |       Q   Was it Mr. Miller who did the targeting?

432 |       A   No.

433 |       Q   So Mr. Goodman is wrong here when he says "per

434 | Rich Miller"?

435 |       A   Well, as I also said yesterday, it was my feeling

436 | in 1985 that Congressman Kuykendall was actually doing this

437 | research, this type of activity, behind Rich Miller, and for

438 | a long time Rich Miller then would present to me this

439 | research as if it was from him, but later on we discovered

440 | that he had been working in close contact with Congressman

441 | Kuykendall and I think that was probably what he is

442 | referring to there.

443 |       Q   So if I understand your answer correctly, where Mr.

444 | Goodman here says that the congressman was targeted, per

445 | Rich Miller or by Rich Miller, in effect it was your

446 | understanding that it was Mr. Kuykendall who was actually

447 | doing the targeting on behalf of Mr. Miller?

448 |       A   I think that is probably the truth.

449 |       Q   At this point in 1985?

450 |       A   Yes.

451 |       Q   Now, in 1985, was Mr. Kuykendall a consultant to

452 | any of your organizations?

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453 . A No.

454 . Q Was he a consultant or an employee of Mr. Miller's  
455 organization?

456 . A I have no idea.

457 . Q In what capacity did you understand he was doing  
458 this targeting in 1985?

459 . A As I told you, at that time I didn't know it was  
460 not Rich Miller doing it.

461 . Q But it is now your understanding that it was Mr.  
462 Kuykendall?

463 . A I think so.

464 . Q And do you now have an understanding of the  
465 capacity in which he was doing this in 1985?

466 . A No. By capacity, you mean--

467 . Q Was he volunteering?

468 . A I don't know that.

469 . Q Or was he being paid by some other entity?

470 . A I don't know that.

471 . Q Following this page, Mr. Channell, there are  
472 additional pages which appear to be an enclosure with this  
473 memorandum, which run from 36091 through 360103, and that  
474 appears to be the summary sheets outlining the TV buys that  
475 are described in Mr. Goodman's covering memo. Those sheets  
476 indicate that the television advertisements, as I understand  
477 it, are to be paid for by the American Conservative Trust.

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478 . A Yes.

479 . Q What was the reason in 1985 that the American  
480 Conservative Trust paid for these advertisements, if it is  
481 correct that it did, and not the National Endowment for the  
482 Preservation of Liberty?

483 . A This was a lobbying effort, supposed to be a  
484 lobbying effort.

485 . Q And any lobbying effort it was your judgment the  
486 expenses should not be paid by NEPL, which was a 501(c)(3)  
487 organization; is that correct?

488 . A That's right.

489 . Q If you would look at page 36092, there is a market-  
490 by-market cost breakdown.

491 . A Right.

492 . Q And it indicates much more money to be spent in  
493 Washington than in the other cities. What was the reason  
494 for that?

495 . A Where are you? What was the reason for that?

496 . Q Yes.

497 . A It was suggested to us that by putting the ads on  
498 in Washington, we would get notice by all the political  
499 people inside the Beltway as well as the administration.

500 . Q Who suggested that?

501 . A Bob Goodman.

502 . Q And Bob Goodman is the creative director of the

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503 Robert Goodman Agency?

504 . A He is the head of it.

505 . Q He is the head of the agency?

506 . A He is Adam's father.

507 . Q And it was Bob Goodman's judgment that the bulk of

508 the money should be spent in the Washington market?

509 . A Yes. I mean, it is one of his rules that when you

510 do political ads like this, you should try to always do

511 something in Washington, heavy coverage in Washington.

512 . Q There is a reference at the bottom of page 36092 to

513 a contingency fund of \$5,000 to be applied to any TV buy

514 which reaches the Greenwich, Connecticut, viewing audience.

515 What was the reason for that?

516 . A We had a contributor up there that we were hoping

517 to be able to show the ads to on TV.

518 . Q Was that Mrs. Newington?

519 . A Yes. She had given some money for that, and we

520 very much wanted her to see what she was doing, how it looks

521 on television, and I think we were having great difficulty

522 or he was having great difficulty getting any television

523 station to take those ads, and at the time evidently he did

524 this, they didn't think they could get on TV.

525 . Q On page 36103, which is the last page in this

526 enclosure, I guess it is page 10 of the enclosure, there is

527 an indication at the bottom that all congressmen listed in

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528 caps are among the 21 representatives targeted by Rich  
529 Miller.

530 Now, if you will look on page 2 of the enclosure--

531 . A Can you give me the reference number here?

532 . Q 36095. There is a reference to a buy in the  
533 Austin, Texas, market.

534 . A Yes.

535 . Q And there is no Congressman identified in capital  
536 letters.

537 . A Right.

538 . Q But there is a reference to Ellen Garwood as an  
539 Austin contributor. What was the reason that there was a  
540 buy in the Austin market if there was no targeted  
541 Congressman there?

542 . A We wanted to show Ellen also what we were doing.

543 . Q And she was one of the major contributors for this  
544 program?

545 . A Yes. She wanted it shown in Texas. It  
546 specifically referred to--I think I mentioned to you  
547 yesterday that we had several, that we did that as part of  
548 our targeting. We wanted to make sure that the contributors  
549 were able to see this on their local stations.

550 . Q So that is another factor in selecting the media  
551 markets for these advertisements?

552 . A Sometimes bigger than you would think.

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553 . MR. FRYMAN: I will ask the reporter to mark as  
554 Channell Deposition 2 for identification a group of  
555 accounting schedules which have been prepared by accountants  
556 for the House and Senate committees, from materials provided  
557 by Mr. Channell's organization, supplemented by additional  
558 materials subpoenaed for Mr. Channell's organizations as  
559 well as the Robert Goodman Agency.

560 . [The following document was marked as Channell  
561 Deposition Exhibit 1 for identification:]

562 . BY MR. FRYMAN:

563 . Q Mr. Channell, the first page is analysis 2-A and  
564 reflects our accountants' summaries of the Channell  
565 Company's statement of operations for 1985, and under the  
566 project expenditures, the first line, there is an entry for  
567 the Goodman Agency.

568 . A Right.

569 . Q And there is an indication in the first column of  
570 NEPL expenditures to the Goodman Agency in 1985 of  
571 approximately \$169,000, and American Conservative Trust  
572 state election fund expenditures of approximately \$114,000.  
573 Is it your recollection that in 1985 NEPL did pay for ads  
574 prepared in time purchased through the Goodman Agency?

575 . A Yes.

576 . Q What did those ads relate to?

577 . A They were not involved with lobbying, but they were

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578 involved with editorial activities in Nicaragua on the  
579 summit meeting in the fall, and something else. We had  
580 three projects that we did TV for.

581 . Q But the ads that are referred to in the enclosure  
582 to the memorandum from Adam Goodman dated April 19, it is  
583 your recollection were paid for by the American Conservative  
584 Trust?

585 . A That's correct, they were.

586 . Q If you would turn back to Exhibit 1, and the next  
587 document following the Goodman materials, page 36197, which  
588 is a telegram addressed to you dated June 6, 1985, from  
589 Colonel North, thanking you for your help on such short  
590 notice, do you recall receiving this telegram?

591 . A Yes.

592 . Q At the time you received it, is it your  
593 recollection you had not met Colonel North?

594 . A That's correct.

595 . Q Do you know why he sent this to you?

596 . A Yes. I had given a contributor name to Rich  
597 Miller, who had asked me if we could get some money for one  
598 of Rich Miller's projects, and I gave him the name of the  
599 person that I thought might help him, and said, "You call  
600 him and see if he will help you," and he did, and that  
601 money went wherever Rich wanted it to go, and then it turns  
602 out that Rich had--I don't know whether he was talking to

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603 Colonel North or what, but anyway, Colonel North sent me  
604 this telegram thanking me for helping Rich.  
605 Q Was this contributor John Ramsey?  
606 A Yes.  
607 Q And is it your understanding this reference led to  
608 a \$10,000 contribution by Mr. Ramsey?  
609 A Or because of it. I mean, it happened. This came  
610 I think sometime after he had done that for Rich.  
611 Q That's correct, but your referring Mr. Ramsey to  
612 Mr. Miller--  
613 A Yes.  
614 Q --led to a \$10,000 contribution by Mr. Ramsey?  
615 A That's right.  
616 Q And it is your understanding that this telegram is  
617 in effect thanking you for your assistance in obtaining that  
618 contribution?  
619 A Exactly.  
620 Q Was this the first time you heard of Colonel North?  
621 A No. Rich Miller had talked to me about him, and I  
622 had heard about him during the Nicaraguan refugee fund  
623 dinner preparations. I had heard his name bandied about by  
624 that staff, but I had not met him.  
625 Q In this telegram, he addresses you by your first  
626 name or by your nickname Spitz?  
627 A Right.

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628 . Q Were you surprised to get a telegram from him  
629 addressing you in that fashion?

630 . A I didn't really think anything about it, frankly.

631 . Q Turning to the following pages in this volume, Mr.  
632 Channell, numbered 34905 through -907, am I correct that  
633 this was a list of the proposed participants in the June 27,  
634 1985, briefing at the White House?

635 . A Yes, the ones that we thought were coming.

636 . Q Who prepared this list?

637 . A Oh, I think this is probably from our office. I  
638 don't know which secretary did it, but I think it's from our  
639 office.

640 . Q And it was following this briefing on June 27 that  
641 the check for \$50,000 was presented to Mr. Calero; is that  
642 correct?

643 . A Exactly.

644 . Q Turning to the next two pages, one is numbered  
645 37810 and one is numbered 34802, and there are two separate  
646 copies of a letter to you from Colonel North dated August  
647 15, 1985. Do you recall receiving this letter?

648 . A Oh, yes, I do.

649 . Q What is the reason that there is a confidential  
650 stamp on one copy, which is page 34802, and the stamp does  
651 not appear on the other copy?

652 . A I think my original that I have framed at the house

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653 is this.

654 . Q Is which?

655 . A The first one, the non-confidential. I think when  
656 we sent this out to the world, we put confidential on it.

657 . Q So the confidential stamp was placed on there by  
658 someone in your organization?

659 . A Yes.

660 . Q What was the reason for that?

661 . A To heighten the interest of people in reading the  
662 letter. It's what you might call a marketing technique, but  
663 my original framed at the house doesn't have any  
664 confidential.

665 . Q What use did you make of this letter?

666 . A We sent it to the people that I knew around the  
667 country, as many as I could list, to show people that we  
668 were trying to help the President and that help was being  
669 noticed, and we were getting a response from the White  
670 House. I think everybody that was on this list that came to  
671 the meeting got a copy of the letter. Lots of people wanted  
672 to come to the meeting that I knew got a copy of the letter  
673 who couldn't come, mailed it all over the country, hundreds  
674 and hundreds and hundreds of copies.

675 . Q Was there a cover letter that went with it?

676 . A I think we sent it with a whole packet of  
677 information. We had gotten some very good brochures from

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678 the State Department. They were publishing books, not books  
679 but pamphlets on what was happening in Nicaragua. We took  
680 the material that we received on the 27th of June from the  
681 public liaison office. They had speeches by the President.  
682 They had statements by the Secretary of State. They had  
683 articles from magazines, all types of things, and put them  
684 all together in packets, enclosed this letter, and sent it  
685 all over the country.

686 Q Am I correct that you used this letter then in your  
687 efforts to raise additional funds?

688 A I don't know whether we were asking for money when  
689 we did that. My deal with this was to tell people that we  
690 were out there working, and to send it to everybody who had  
691 supported us on Nicaragua so far that year, to show that  
692 their activities had some effect.

693 Q Did you consider that distributing a letter  
694 addressed to you from a staff member of the National  
695 Security Council added additional credibility to your  
696 organization?

697 A Sure. As I said yesterday, anyone who works in the  
698 White House that will help and give any credit to any  
699 organization is respected, appreciated.

700 Q Did you know who wrote this letter?

701 A No.

702 Q Did you request it?

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703 . A I had asked, several times asked Rich Miller if we  
704 could get a thank-you letter sometime for our efforts, and  
705 he said maybe. As you know, the bill was passed in May or  
706 June, and this is three months later, so there was nothing  
707 going on in July or August that would have any relevance.

708 . Q Do you know if Mr. Miller was involved in drafting  
709 this letter?

710 . A I really don't know. He may have been, because I  
711 think that was part of his activity, but I have no idea if  
712 he did.

713 . Q In the second paragraph, Colonel North says that  
714 your paid advertising in support of the President's program  
715 'was critical to our success.' Do you agree with that  
716 statement?

717 . A Well, I would like to think so. I have always  
718 believed that the more people help, the greater chance of  
719 success. The fewer people help, the less chance of success,  
720 and with this type of thing, unless you do a very great deal  
721 of in-depth track polling afterwards, you can't be sure what  
722 impact you have had, and so I have never gone around the  
723 country saying we did this, that or the other. I have  
724 always been pleased that we had the opportunity to help, but  
725 I just don't believe any one activity in politics is most of  
726 the time decisive. Once in a while that is true, but to my  
727 knowledge and experience, it takes a whole group of

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728 activities to move something, and we were just doing one,  
729 but I appreciated that anyway.

730 . Q The vote occurred in June of 1985?

731 . A I think that was the final House vote that time. I  
732 think they voted two or three times on that bill, starting  
733 in the 18th of March or something.

734 . Q If you would look at the next pages, which are two  
735 pages from the Goodman Agency that have your numbers 75618  
736 and 75619, which are dated August, 1985, and refer to a  
737 freedom spots television placement profile: costs and  
738 operations. What was this plan or program?

739 . A We were going to do some ads. I am trying to  
740 think. We did very, very few, if any, as a matter of fact,  
741 on this.

742 . Q My next question was, was this implemented?

743 . A I think a little maybe.

744 . Q But before you answer that question, what was the  
745 purpose of this program, if there was no pending Nicaragua  
746 legislation?

747 . A It wasn't part of Nicaragua. It was something else  
748 we were going to do, some other program. We did something  
749 on the 4th of July. You know something, isn't that  
750 ridiculous, I really don't remember.

751 . Q So the caption at the top "Freedom Spots" is not  
752 a caption that refers to advertisements related to

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753 Nicaragua?

754 . A I don't think so. Again, as I told you yesterday,  
755 Bob Goodman entitled these ads with phrases that sometimes I  
756 didn't know, they may be referring to something else, but  
757 this was after, of course, the freedom fighter bill was  
758 passed, long after at this point.

759 . Q Turning to the next page, which is 29694, which is  
760 a copy of a telegram from Colonel North to Mr. A.R. Nixon,  
761 and it is dated September 13, 1985, who is Mr. Nixon?

762 . A He is a friend of mine in Dallas, or Arlington,  
763 Texas, actually.

764 . Q And did you arrange for Colonel North to meet with  
765 Mr. Nixon during the same trip where he met with Mr. Hunt  
766 and Mrs. Garwood?

767 . A Yes.

768 . Q Is Mr. Nixon--has he been a contributor to your  
769 organization?

770 . A Yes.

771 . Q Do you know if Colonel North discussed with him any  
772 of the needs of the resistance fighters in Nicaragua?

773 . A I mainly introduced Ralph to Colonel North because  
774 Ralph is a very close friend of mine, and Ralph is a very  
775 devoted Christian, and the only thing I know about that  
776 meeting is that they shared a prayer together.

777 . Q Were you present?

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778 . A I am not present.

779 . Q How do you know what occurred during the meeting?

780 . A Because I saw them through the glass praying, and

781 the meeting I think lasted five minutes or so.

782 . Q Where did the meeting occur?

783 . A In the airport, Love Field in Dallas.

784 . Q Turning to the next page, which is numbered 30034,

785 which is a memorandum to Rich and Frank from Don Conrad.

786 . A Yes.

787 . Q Dated September 30, 1985, concerning objectives, I

788 take it Rich and Frank refers to Richard Miller and Frank

789 Gomez?

790 . A Yes.

791 . Q Is that your understanding?

792 . A Sure.

793 . Q In this memorandum Mr. Conrad lists various

794 requirements for the month of October, including several

795 meetings with President Reagan and your contributors. Were

796 you and Mr. Conrad thinking at this point of the importance

797 of arranging meetings with the President and your

798 contributors?

799 . A Yes, but we had thought about that six months ahead

800 of time.

801 . Q Had you succeeded in September, 1985, in arranging

802 any of those meetings?

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803 . A No.

804 . Q How many did you succeed in arranging before you  
805 retained David Fischer?

806 . A One

807 . Q And that was with Mrs. Newington?

808 . A Yes.

809 . Q How was that arranged?

810 . A Through Rich Miller.

811 . Q Did you attempt to arrange others?

812 . A Yes. We had given him a list of people we thought  
813 the President should try to thank for their help, but he  
814 didn't do it.

815 . Q And you indicated yesterday that one of the reasons  
816 for retaining David Fischer was to hopefully achieve greater  
817 success in access to the Oval Office for your contributors;  
818 is that correct?

819 . A That was one of the objectives.

820 . Q There are several references in this memorandum to  
821 Pat Buchanan, particularly lines 8 and 12. Had you had any  
822 contact with Mr. Buchanan at the time of this memorandum?

823 . A I think I may have met him once.

824 . Q Do you know if Mr. Conrad had had any dealings with  
825 him?

826 . A I don't think so.

827 . Q Do you know if Mr. Miller had?

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828 . A I don't think so.

829 . Q Is it your understanding that Mr. Buchanan had any  
830 role in the targeting of congressman for your advertisements  
831 earlier in 1985?

832 . A No.

833 . Q What did you understand Mr. Buchanan's role was in  
834 connection with Nicaragua in 1985, if any?

835 . A I think it was a public understanding that he was  
836 trying to help inspire the President on Nicaragua. I'm not  
837 sure. I guess he was just the new communications director  
838 at that time.

839 . Q Was it your understanding that he had any role in  
840 the lobbying campaign in 1985?

841 . A I don't even think he was in the White House then.

842 . Q So the answer is no?

843 . A Oh, yes. No.

844 . Q Is it your understanding that he had any role in  
845 the lobbying campaign in 1986?

846 . A I assume--I mean he wrote the article for the  
847 newspaper, which made a lot of Democrats on the Hill very  
848 mad, and I suppose he was working with White House lobbying.  
849 I don't know. He was doing nothing with us.

850 . Q Are you aware of any role he had in targeting  
851 congressman?

852 . A No.

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853 . Q In 1986?

854 . A No.

855 . Q The next pages in, in Exhibit 1, Mr. Channell, which  
856 have numbers 34899 through -904, and then 35539 and 37516  
857 all relate to persons attending the October briefing or the  
858 program, the October briefing; is that correct?

859 . A Yes.

860 . Q And were these pages prepared by your organization,  
861 if you recall?

862 . A I don't know. They look very well organized.

863 . Q Does that indicate that they were or were not  
864 prepared by your organization?

865 . A Maybe not.

866 . Q Are these pages consistent with your recollection  
867 of the individuals who were invited?

868 . A Yes.

869 . Q To attend the October briefing and the program of  
870 the briefing and the dinner after the briefing?

871 . A Yes.

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872 DCMN MILTON

873

874 . Q Turning then to the following pages, 34922, 349<sup>2</sup>~~7~~3  
875 and 27084, are those similar pages with respect to the  
876 November briefing?

877 . A Yes, those first two are a briefing, obviously at  
878 the White House is a briefing.

879 . Q And those pages are consistent with your  
880 recollection of the persons invited to attend?

881 . A Yes.

882 . Q The November briefing and the program of the  
883 November briefing as reflected on 27084?

884 . A Yes.

885 . Q Is that correct?

886 . A Yes.

887 . Q The next page, 29887, is a letter to you from Mr.  
888 Calero dated December 5, 1985.

889 . A Right.

890 . Q In the next to the last paragraph there is a  
891 statement that 'we need \$50,000 through the holiday season.  
892 Please help us to sustain those who have stayed behind so  
893 that those of us on the front lines can survive.' What did  
894 you understand this request to involve?

895 . Let me rephrase the question in another way. You  
896 indicated yesterday that the origin of the Toys account was

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897 a request for funds for Mr. Calero.

898 . A That's correct.

899 . Q Around Christmas of 1985. Is this letter related

900 to the creation of the Toys account?

901 . A That's correct.

902 . Q And you established the account after receiving

903 this letter, and any funds that you raised in response to

904 this letter were attributed to that account; is that

905 correct?

906 . A Well, we were going to try to raise money for about

907 a month and a half at Christmas time, and into January, and

908 put all of that money in this Toys ledger, separate from

909 everything else we were doing, so we wouldn't lose it, and

910 then write him a check.

911 . Q And is that what you did?

912 . A Well, we wrote him a 26--we weren't able to raise

913 all that we hoped, but we did give him \$25,000 later.

914 . Q And that was funds that you sent directly to one of

915 Mr. Calero's accounts, and you did not send those funds

916 through Mr. Miller's accounts at IBC or in the Cayman

917 Islands?

918 . A Absolutely correct.

919 . Q Turning to the next page, which has your number

920 78820, and it's dated December 18, 1985, and it's headed at

921 the top, "As of today, 43 groups have agreed to be

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922 participating organizations.' ' What do you understand this  
923 to be a list of?

924 A This is a list of all those organizations that were  
925 going to participate in the annual Conservative Political  
926 Action Committee conference that is held formally late in  
927 January or February of every year, and this was an enclosure  
928 to all of the participants telling them that all of these  
929 other people were participating.

930 Q Where was this conference held in January of 1986?

931 A Here in Washington. It's an annual event, been  
932 going on for 10, 15, 20 years.

933 Q It's always held here in Washington?

934 A It's always held in Washington, either in very late  
935 January or February. The President has always spoken. It's  
936 a three-day seminar, pep-rally deal.

937 Q Who organizes this seminar?

938 A The American Conservative Union in conjunction with  
939 43 other groups. If I might say, this was sent to me  
940 because they sent us a draft of the magazine that they put  
941 out, and all these people were going to get mentioned, and  
942 they were sending this out to show who was doing what and  
943 asking us to buy some ads in the magazine, that is why the  
944 name is circled.

945 Q One of the organizations on there is Grow  
946 Washington, and your name is by that. I believe you

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947 indicated yesterday that that was always an inactive  
948 organization; is that correct?

949 . A That's right.

950 . Q The sheet indicates that it was prepared by an  
951 individual named Tish. Do you know who Tish is?

952 . A I guess it's their secretary working on the  
953 conference.

954 . Q There is also a handwritten note at the bottom to  
955 you from Bob Dolan.

956 . A Yes. Bob Dolan was the head of, I think, Young  
957 Americans for Freedom, who at this conference was deposed  
958 by--either sat by the President on Friday night and he was  
959 voted out of office at 2:00 a.m. Saturday morning in the  
960 hotel room.

961 . [Discussion off the record.]

962 . BY MR. FRYMAN:

963 . Q Do you know if Bob Dolan was related to Terry  
964 Dolan?

965 . A There is no relation at all.

966 . Q Do you know if Bob Dolan has ever had any position  
967 in the Executive Branch of government?

968 . A I don't think so.

969 . Q Turning to the next page, 7573<sup>6</sup> and 75737, which  
970 appears to be an accounts signature card for the National  
971 Endowment for the Preservation of Liberty at the Irving

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972 Savings Association, and it appears to have your signature  
973 on it, did NEPL have an account at the Irving Savings  
974 Association?

975 . A Yes.

976 . Q Where was that located?

977 . A Irving, Texas.

978 . Q What was the reason you had an account in Irving,  
979 Texas?

980 . A One of my devoted friends called me up and said,  
981 "I want to help NEPL. I'm going to give you \$5,000, and I  
982 would like you to put it in the Irving Savings Bank in  
983 Texas, and as my help for NEPL, I'm going to let you keep  
984 the dividends."

985 . Q And that was the reason for opening this account?

986 . A So far as the dividends have amounted to maybe \$12,  
987 maybe a little bit more than that.

988 . Q Have there ever been any funds of any of your  
989 organizations deposited at the Irving Savings Association?

990 . A No.

991 . Q Other than that \$5,000?

992 . A No. I'm not sure why this contribution was given  
993 in the way it was, but we have appreciated everything from  
994 time to time.

995 . Q Who was the donor of that amount?

996 . A A Mr. Sommers, S-o-m-m-e-r-s, Charles Sommers.

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997 . Q Turning to the next item, Mr. Channell, this is a  
998 memorandum that begins on 75677, and continues through  
999 75~~6~~90, you referred earlier to a consulting arrangement that  
1000 your organization had entered into with Terry Dolan. Was  
1001 this memorandum one of the products of that consulting  
1002 arrangement?

1003 . A Yes.

1004 . Q What was the reason for retaining Mr. Dolan as a  
1005 consultant?

1006 . A If I might answer that in a larger framework, this  
1007 was a specific proposal from Mr. Dolan to us for lobbying,  
1008 and we had asked 10 to 15 organizations in Washington to  
1009 submit to us proposals for our entire program on Micaragua,  
1010 as if they would get the contract to manage the program, and  
1011 help it subcontract out to other people, to manage a very  
1012 great program, and we asked for general proposals from at  
1013 least 10 to 15 organizations in Washington.

1014 . Terry Dolan, you may not know, had an independent  
1015 firm, and this was prepared by his independent firm for  
1016 submission to us, proposing that he do this part of the work  
1017 for our program, and this was his original formal proposal  
1018 on the lobbying.

1019 . Q Am I correct that the proposal was not accepted?

1020 . A That's right.

1021 . Q What were the other organizations that were asked

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1022 | to submit proposals of this sort, as you recall?

1023 | . A Edelman, who eventually helped us out a lot.

1024 | Edelman actually was the one chosen, in conjunction with

1025 | IBC, to help co-manage this entire program, and I'm sure you

1026 | have talked to Dan Conrad in his "'to do'" list from

1027 | September through December, 1985, there are all these

1028 | strange names and groups of strange names that appear once,

1029 | and it's from all these public relations and lobbying firms

1030 | all over Washington. In fact, we even went to New York

1031 | twice to talk to people.

1032 | . Q Do you recall the names of any others?

1033 | . A No. They are the big ones, though.

1034 | . Q Was Bozel and Jacobson?

1035 | . A He was one of them, Blackman, I think, was one of

1036 | them. I'm not in that business anymore. In fact, I wasn't

1037 | allowed--Dan said that I should not meet with any of them,

1038 | because I poisoned the waters all the time by coaching them,

1039 | and there are many that I didn't meet that he met for three

1040 | months with these different groups all over the place.

1041 | . Q Was Mr. Conrad the one who selected the firms to be

1042 | asked to submit proposals?

1043 | . A Yes, he was, right.

1044 | . Q Was Mr. Dolan paid for submitting this proposal?

1045 | . A No. He was paid for his advice to us.

1046 | . Q Which was unrelated to this proposal?

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1047 . A Yes. It wasn't part of this. Of course, part of  
1048 his brains were in it, but it was not directly related to  
1049 carrying out this proposal.

1050 . Q What was the name of his company?

1051 . A I don't remember. He had another venture that he  
1052 was working with it that did not work. I really don't  
1053 remember.

1054 . Q What use did you make of this proposal submitted by  
1055 Mr. Dolan, if any?

1056 . A We rejected it.

1057 . Q Did you use any of the ideas in it?

1058 . A Not directly that I recall. The philosophy of it,  
1059 of course, was incorporated in our thinking, when he helped  
1060 us out during the winter as a consultant, I'm sure he  
1061 referred to some of this.

1062 . Q If you would turn, Mr. Channell, to the rear  
1063 section of this volume, and the memorandum with the heading  
1064 "'Central American Freedom Program,'" which begins at page  
1065 33546 and runs through 33559.

1066 . A Got you, right.

1067 . Q What was the origin of the memorandum that I have  
1068 just identified headed "'Central American Freedom Program,'"  
1069 and when I say what is the origin, who prepared this  
1070 memorandum?

1071 . A I had written some of the draft for it, and Rich

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1072 Miller's group formalized it, defined it, and put it  
1073 together.

1074 . Q When was this memorandum finalized?

1075 . A I think we had these in the winter of '86, which  
1076 would be the early part of '86. This was, I think, one of  
1077 the ones we had printed and distributed throughout the  
1078 world.

1079 . Q Was this prepared by the time of the January 30,  
1080 1986, White House briefing?

1081 . A It should have been. I don't know whether we had  
1082 had it printed or not, but that was our goal, to have it for  
1083 that meeting. He might have just had it Xeroxed because of  
1084 the printing taking longer than we thought.

1085 . Q And it was widely distributed?

1086 . A Yes, we mailed this all over the place, to the  
1087 press. Every time we had a press conference in '86, this  
1088 was one of the enclosures for the press.

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1089 RPTS MAZUR  
1090 DCMN DONOCK  
1091 11:00 a.m.  
1092 . Q Now, when you say you had it printed--I mean, you had  
1093 a typeset in a fashion different than the copy that is in  
1094 Exhibit 1?  
1095 . A Oh, yes. This was in a blue binder.  
1096 . Q So, it wasn't a matter--when you say printing, it  
1097 wasn't a matter of just running this off--it was a typeset,  
1098 more formally printed brochure.  
1099 . A Right.  
1100 . Q Was the Central American Freedom Program brochure or  
1101 memorandum based on the proposal by Mr. Dolan which we have  
1102 been discussing?  
1103 . A No. I think this was already in the process of  
1104 being done, because we had worked on this a lot in early  
1105 December, or throughout December, and I think we began  
1106 talking with him in mid-January, very close to the meeting.  
1107 . Q Well, Mr. Dolan's proposal is dated January 6, 1986.  
1108 . A Well, the meeting was what, two, three weeks later.  
1109 . Q But it is your recollection that you began drafting  
1110 the Central American Freedom Program in December of 1984?  
1111 . A Or earlier.  
1112 . Q And you worked on the initial draft?  
1113 . A Yes.

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1114 . Q And Mr. Miller worked on the draft?

1115 . A Yes.

1116 . Q Was Mr. Fischer involved in this draft?

1117 . A I don't remember that he was.

1118 . Q Who else do you recall was involved in preparing

1119 this memorandum?

1120 . A Well, Dan Conrad would have gotten a chance to hack

1121 it up, and I imagine Dan Kuykendall would have had a chance

1122 to look at it also. I am not sure that he did, but

1123 just--think.

1124 . Q Do you recall anybody else?

1125 . A Not really.

1126 . Q Off the record. Why don't we take a five-minute

1127 break at this point?

1128 . [Recess.]

1129 . BY MR. FRYMAN:

1130 . Q Mr. Channell, do you know if the memorandum that we

1131 have been discussing on the Central American Freedom Program

1132 was given to Colonel North either in its written form or in

1133 the printed form?

1134 . A I did not give it to him, but I have a very strong

1135 belief that it was given to him because we were dealing with

1136 him, talking about the program, excited about the program,

1137 discussing the types of activities we were hoping to engage

1138 in with the program.

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1139 . It was used at all of the briefings--if it wasn't  
1140 used at the January 1, it was used from then on out, because  
1141 it was printed. I think, shortly thereafter, and it was  
1142 handed out at all of the briefings.

1143 . Rich Miller was instrumental, of course, in this,  
1144 and it is my belief that he was in contact with Colonel  
1145 North from time to time about these activities. I just--I  
1146 just believe--and then it is very possible Dan Conrad  
1147 actually gave him a copy.

1148 . Q Was Colonel North consulted in connection with the  
1149 drafting of this memorandum?

1150 . A No, not by me, nor by my instruction.

1151 . Q And you are not aware of any consulting with him  
1152 about--in connection with the drafting of the memo?

1153 . A No. One reason why I would not have even have  
1154 thought of it was that I have consistently believed that he  
1155 knew very little about domestic politics and the domestic  
1156 political election campaign process. I don't think--other  
1157 than the fact that he was concerned about opposition in the  
1158 Congress to the freedom fighter bill, I don't think I ever  
1159 heard him mention anything about domestic politics.

1160 . Q Did you ever have any discussions with Colonel North  
1161 about targeting Congressmen?

1162 . A No.

1163 . Q Did the memorandum which we have been discussing on

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1164 the Central American Freedom Program become the outline for  
1165 the public education lobbying campaign that your  
1166 organizations followed in 1986?

1167 . A The philosophy of those projects is deeply embedded  
1168 in that. As you know, since we had to raise money as we  
1169 went along, some of the programs we could do, some of the  
1170 programs we couldn't do. Some of the programs we could do a  
1171 little of. A lot of the television we could not do because  
1172 we were not able to raise enough of the money we hoped to  
1173 raise in time.

1174 . Some of the speakers' programs had to be curtailed  
1175 because of money and time, but the philosophy and the ideal  
1176 situation was in that--embedded in that document.

1177 . Q If you would turn now in Exhibit 1 to a letter which  
1178 you sent to Mrs. Julius Pierce dated January 16, 1986, and  
1179 it is a document numbered 29521--

1180 . A Why don't you just let me use yours? They are not  
1181 consecutive.

1182 . MR. FRYMAN: Off the record.

1183 . [Discussion off the record.]

1184 . MR. FRYMAN: Could you read the question back?

1185 . [Whereupon, the reporter read the record as  
1186 directed.]

1187 . MR. FRYMAN: As well as what appears to be the  
1188 enclosure to that letter, which are documents 29522 through

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1189 25--or through 29525. My question particularly--  
1190 THE WITNESS: These are a year apart. January 16,  
1191 1986; February-March, 1987. It is impossible to have sent  
1192 this as an enclosure, with all due respect.  
1193 BY MR. FRYMAN:  
1194 Q Well, you have indicated that pages 29522 have  
1195 references to events in 1987. Would you look at the  
1196 substance of those pages and see if that refreshes your  
1197 recollection, if there was such a program in 1987?  
1198 A There was not.  
1199 Q There was not. So, does that indicate to you that  
1200 the 1987--on these pages is a typographical error, and it  
1201 really refers to 1986.  
1202 A No. This is a program that I hoped to carry out  
1203 during the time period when the \$40 million was being  
1204 debated again here in Congress this year, and we were going  
1205 to try to carry out a grass-roots program the rest of this  
1206 year. We didn't know whether the 40 million was going to  
1207 get voted on. That is why you notice it is February and  
1208 March, because that was the time frame in which we thought  
1209 it might happen.  
1210 I wrote this, I think, in January of 1987, hoping  
1211 that we could get something started. We never did, but it  
1212 is not at all related to my letter a year prior to Mrs.  
1213 Pierce. Are you trying to relate them?

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1214 . Q Well, you have answered my question. I was trying  
1215 to determine, number one, if they were related.  
1216 . A Oh, I see.  
1217 . Q And your answer is they are not. I was also trying  
1218 to determine if this document was related to the Central  
1219 American Freedom Program memorandum that we have been  
1220 discussing.  
1221 . A No.  
1222 . Q I had--because of the order in which the materials  
1223 were produced with the numbering sequence, it had appeared  
1224 at least on first viewing that this was the enclosure, and  
1225 the 1987 reference was a typographical error, but in  
1226 response to my question, your answer is that is not the  
1227 case, and the dates are correct and this was not the  
1228 enclosure.  
1229 . A Correct.  
1230 . Q And this relates to a planned program in 1987 that  
1231 never occurred.  
1232 . A Correct.  
1233 . MS. MORRISON: Sure, it will amaze you the things  
1234 that were planned in January of this year were overtaken by  
1235 events in subsequent months, and many of them didn't get  
1236 fulfilled.  
1237 . MR. FRYMAN: All right.  
1238 . BY MR. FRYMAN:

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1239 . Q Turning to the next series of documents--  
1240 . A I am sorry; I didn't hear your statement.  
1241 . Q Turning to the next series of documents, which is on  
1242 the stationery of the Robert Goodman Agency, and headed  
1243 American Conservative Trust, Freedom Fighters TV National  
1244 Spot Program, and begins with page 77196 through 77210. Do  
1245 you recall approximately when this group of materials was  
1246 prepared?  
1247 . A It would have been in December or--well, it has here  
1248 21st of January, so it would had to have been before the  
1249 21st of January.  
1250 . Q The 21st of January appears on page 77200 through  
1251 77202, on a page which appears to be the text of an  
1252 advertisement or for three pages, that is the text of three  
1253 separate advertisements. Is it your recollection that all  
1254 of these materials were prepared at approximately that date?  
1255 . A I would think so.  
1256 . Q Now, if you would look at page 77198, there is a  
1257 summary on that page which indicates that the purpose of the  
1258 campaign is to reach those incumbent Congressmen which have  
1259 shown a lack of resolve and firm commitment on the issue of  
1260 helping the contras in Nicaragua, and it goes on to say that  
1261 a list of these Congressmen has been drafted on the basis of  
1262 both their general voting record and their position on three  
1263 key votes.

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1264 . Do you know who drafted that list?

1265 . A I again am assuming that Rich Miller worked with Dan  
1266 Kuykendall to do that.

1267 . Q Were you involved in the drafting of that list?

1268 . A No. I mean, I would get the proposal and then I  
1269 would have a chance to work with it after it was put  
1270 together. I mean, that is--I think that is what you are  
1271 asking.

1272 . Q So, you would make the final decision as to--

1273 . A I had to spend the money.

1274 . Q So, therefore, you made the final decision as to  
1275 where the advertising buys were made?

1276 . A As you know, or maybe you don't know, because you do  
1277 not work with him, these companies give you their ideal  
1278 program, hoping that it will be attractive enough, or you  
1279 will find the resources to buy into the entire program. It  
1280 is very rarely the case that anybody has enough--we have  
1281 never had enough money to be able to do that.

1282 . We have had to choose later or run fewer ads, or  
1283 whatever.

1284 . Q These scripts that are page 77200 through 77202, as  
1285 well as the other pages, indicate that these ads are to be  
1286 paid for by the American Conservative Trust. What was the  
1287 reason that it was proposed that the American Conservative  
1288 Trust pay for these ads instead of MEPL?

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1289 . A I think this is simply a mistake on Adam Goodman's  
1290 part. He sent us a lot of mail to the American Conservative  
1291 Trust.

1292 . Q When you say you think this was a mistake on his  
1293 part, do you mean that you consider these to be appropriate  
1294 ads for NEPL?

1295 . A Yes.

1296 . Q Why was that?

1297 . A Because they are not ads that are lobbying, and we  
1298 are not talking about any legislation. We are talking about  
1299 education.

1300 . Q What in your mind was the distinction or the  
1301 criteria for distinguishing between ads that constituted  
1302 lobbying and advertisements that constituted education?

1303 . A Our IRS designation stated that lobbying is for--they  
1304 have a definition of lobbying to signify a lobbying  
1305 organization. You have to follow those guidelines, and in  
1306 our IRS certification, there is a definition that you have  
1307 to follow.

1308 . Q Well, focusing on these three particular ads where  
1309 you have the scripts here, Mr. Channell, why do you consider  
1310 these to be appropriate advertisements for NEPL?

1311 . MS. MORRISON: He just told you, because they were  
1312 educational and not lobbying.

1313 . THE WITNESS: They are informative and educational.

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1314 and they do not point to a piece of legislation or asking  
1315 people to support a piece of legislation, nor asking people  
1316 to do anything except to listen.

1317 . BY MR. FRYMAN:

1318 . Q So, lobbying ads are ads that refer to particular  
1319 pieces of legislation?

1320 . A Yes, focus of legislative activity. That is what  
1321 our IRS designation said to us.

1322 . BY MR. OLIVER:

1323 . Q That means that is the way you interpreted your IRS  
1324 designation.

1325 . MS. MORRISON: He said that.

1326 . BY MR. OLIVER:

1327 . Q That is what your lawyers--

1328 . A Our lawyers.

1329 . Q Did you take this particular program to your lawyers  
1330 to determine whether or not it would be a violation of your  
1331 IRS status?

1332 . A We took the ads. We always worked out the wording  
1333 and that type of thing with the lawyers.

1334 . BY MR. FRYMAN:

1335 . Q This is Mr. Herge?

1336 . A Yes.

1337 . Q And he, as a matter of course, would review a copy  
1338 of your advertisements.

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1339 . A Oh, yes, sure.

1340 . BY MR. OLIVER:

1341 . Q My question was, did you take this package with the  
1342 covering memo from the Robert Goodman Agency indicating this  
1343 was directed at certain Members of Congress during a period  
1344 prior to a vote and ask whether or not this would be a  
1345 violation of your tax status?

1346 . Did you take that to your lawyer?

1347 . A I don't remember doing that personally, but it is  
1348 very possible we mailed it to him to show, you know,  
1349 everything that we were doing, but I didn't hand it to him.

1350 . Q Did you ever receive a written opinion from him as  
1351 to the--whether or not that would affect your tax status?

1352 . A It was all done on the telephone. Not only ads that  
1353 we wrote--that I wrote, but ads that someone else would  
1354 propose for us would have to be approved by--

1355 . BY MR. FRYMAN:

1356 . Q If you would turn to the next page in Exhibit 1,  
1357 which is numbered <sup>81707</sup> ~~81077~~, which is a plan of action to lobby  
1358 Congress for military aid for the Nicaraguan resistance by  
1359 Bruce Cameron and dated January 24, 1986, what is this  
1360 document? Is this a proposal by Mr. Cameron?

1361 . A If you will give me a second, I would like to take a  
1362 look at this. I guess it is a proposal of sorts.

1363 . Q Did you ask Mr. Cameron to make this proposal?

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1364 . A I could have, or Rich Miller did. He is speaking  
1365 here about some of the things that I would not have known as  
1366 much about this as Rich would have, and Rich was hoping that  
1367 we would be able to bring him in to help us.

1368 . Q When did you first meet Mr. Cameron?

1369 . A Some time in early 1986.

1370 . Q And what did you understand his position was at that  
1371 time?

1372 . A As I have told you, that--about a half-hour ago--I  
1373 understood that he was a lobbyist or specialist, both  
1374 probably, in Latin American affairs with some influence in  
1375 Washington, both among journalists and the media people and  
1376 on Capitol Hill.

1377 . He had a particular knowledge of Latin America,  
1378 expertise on Latin America.

1379 . Q Did you understand that he had formerly worked for  
1380 the Americans for Democratic Action?

1381 . A I learned that, yes.

1382 . Q Did you consider that he had particular acceptance  
1383 among Democratic or liberal Members of Congress?

1384 . A Well, he said that he met with a group frequently.

1385 . Q Did you retain Mr. Cameron as a consultant in 1986?

1386 . A Yes, through IBC some of the time.

1387 . Q To do what?

1388 . A To help us meet with the Democratic members of the

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1389 House and create a relationship of bipartisanship with the  
1390 Democratic members of the House.

1391 . Q Now, was that retention in response to this document  
1392 dated January 24, 1986?

1393 . A May be. I--I frankly don't remember reading this,  
1394 but I am sure he said this to me in various ways personally;  
1395 however, these are--for some reason, these are--I have read it  
1396 because this is my writing, but it looks like I was going to  
1397 give it back to Rich or something because there are lots of  
1398 questions on it.

1399 . Q Did you understand that Mr. Cameron was associated  
1400 with some organization?

1401 . A Yes. He had an organization, a very small  
1402 organization. I can't remember what the name was.

1403 . Q Was that called the Center for Democracy in the  
1404 Americas?

1405 . A Could be. I can't remember the name, but that could  
1406 be it.

1407 . Q Did he have an associate in that organization named  
1408 Eric Singer?

1409 . A I don't know. He had--he had an assistant or  
1410 something like that. I am not sure--I can't remember the  
1411 name, but he had somebody working with him to do research,  
1412 and I think just keep the office. I met the person two or  
1413 three times.

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1414 RPTS CANTOR

1415 DCMH MILTON

1416 [11:45]

1417

1418 . Q Mr. Channell, if you would look again at Exhibit 2,

1419 and the second page of that exhibit, which is headed

1420 "'Analysis 2-B,'" under the project expenditures, there is

1421 an indication that NEPL paid \$16,000 to Bruce Cameron in

1422 1986.

1423 . A Yes.

1424 . Q Do you recall such a payment?

1425 . A Well, I'm not sure that was the total, but we paid

1426 him.

1427 . Q NEPL paid him?

1428 . A Yes.

1429 . Q And if you will look on the next page, there is an

1430 indication that Sentinel paid \$40,000 to the Center for

1431 Democracy. Do you see that?

1432 . A Yes.

1433 . Q Do you recall a payment by Sentinel to such an

1434 organization?

1435 . A Well, I know we paid that, yes.

1436 . Q Now, what was the reason for those payments?

1437 . A Well, Bruce did some, we thought, some activities

1438 which would be lobbying, and some activities which were like

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1439 he met with me and when we had our meetings on the editorial  
1440 program, he would be there to help discuss editorial program  
1441 and bring his knowledge of Latin America, which is rather  
1442 unique but very extensive, to our understanding of the  
1443 editorial program, and our creation of our speakers program,  
1444 and he was not there for lobbying purposes. He was there to  
1445 strengthen the editorial program, to brief me, to introduce  
1446 me to people from Latin America, who were involved in this  
1447 issue that we did not know, would have nothing to do with  
1448 the lobbying program, so we paid him partially from NEPL for  
1449 an editorial aspect of his work, and then we paid him for  
1450 direct lobbying activities up here, from Sentinel.

1451 . Q How was it determined the amount that would be paid  
1452 by NEPL and the amount that would be paid by Sentinel?

1453 . A I think it was based upon the time and what he had  
1454 worked with, with us.

1455 . Q Was that a judgment that he made in his billings  
1456 and you just paid according to which organization he billed,  
1457 or was that a judgment that someone in your organization  
1458 made?

1459 . A Both.

1460 . Q And you recall there were discussions?

1461 . A There were.

1462 . Q Back and forth?

1463 . A Yes, and also with Rich Miller on this account.

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1464 . Q Did Mr. Cameron work for Mr. Miller and IBC apart  
1465 from his work for your organizations?  
1466 . A Did he ever do that or--  
1467 . Q Are you aware that he did that?  
1468 . A I am not.  
1469 . Q You indicated earlier that he worked for Mr.  
1470 Miller's organization, and we have been discussing some  
1471 direct payments from your organizations to Mr. Cameron, and  
1472 my question is, are you aware of other work that he was  
1473 doing for Mr. Miller?  
1474 . A Not directly for us, to my knowledge, not directly  
1475 for us.  
1476 . Q Are you aware of work he was doing for Mr. Miller  
1477 on other matters?  
1478 . A No, but they had dealt with each other before I was  
1479 introduced to him. They had dealt with each other before I  
1480 met him. I met him through Rich. Rich had recommended that  
1481 we bring him on board to help us, because of his expertise.  
1482 . Q Mr. Channell, turning to the next page in Exhibit  
1483 1--  
1484 . A If I might extend that a hair, down here at the  
1485 proposal, I have <sup>a</sup>breakdown of billing.  
1486 . Q That is in your handwriting?  
1487 . A That's right.  
1488 . Q On document 81707?

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1489 . A That's right. That would have been a clear  
1490 indication that we were going to be working with him on at  
1491 least two aspects of our work.

1492 . Q Turning to the next page in Exhibit 1, 29659, which  
1493 is an example of a letter from Mr. North dated January 24,  
1494 1986, to one of your contributors, this one specifically is  
1495 to Dr. Adamkiewicz, and there are a number of similar  
1496 letters in the files produced by your counsel to other of  
1497 your supporters under the same date, and indeed it appears  
1498 that this letter was sent to all of your supporters who  
1499 participated in the January 30, 1986, White House briefing,  
1500 were you aware that these letters were being sent?

1501 . A Yesterday you asked me to look at a note which I  
1502 had sort of like my own little "to do" list, and one of  
1503 them is thank-you letters from Ollie, and I said to you  
1504 yesterday that I probably would have had that in December.  
1505 It's my belief that this is the answer to my request of  
1506 December, because you will note "all my best for the new  
1507 year, and God bless you." We are already into the second  
1508 month almost of the year, so this was probably a six- or  
1509 seven-week hiatus from my request for an end-of-the-year  
1510 letter, and of course this was a week before the event, so  
1511 he couldn't have written the people who came to the January  
1512 meeting because they came to the January meeting, as I  
1513 understand this is a week prior to the meeting.

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1514 . Q Is it your belief that this was a letter that was  
1515 written to the persons who had contributed to your  
1516 organization in 1985?

1517 . A I think that is what it was, yes.

1518 . Q Who prepared this letter?

1519 . A I don't know.

1520 . Q Do you know if Mr. Miller was involved in it?

1521 . A I do not know at all.

1522 . Q In the next to last paragraph there is a sentence  
1523 which reads: "'In the weeks ahead, we will commence a  
1524 renewed effort to make our assistance to the democratic  
1525 resistance forces even more effective. Once again your  
1526 support will be essential.'"

1527 . What do you understand that refers to?

1528 . A Well, he was aware that we were going to mount a  
1529 major program to support the President when the new  
1530 legislation was proposed. I guess that is what he is  
1531 referring to, although the legislation I think, maybe at  
1532 about this time it was formally proposed.

1533 . Q The sentence, "'Once again your support will be  
1534 essential,'" do you understand that to be a request by  
1535 Colonel North to your contributors to make further  
1536 contributions to your programs?

1537 . A I never read it that way.

1538 . Q How would you read that?

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1539 . A That he was encouraging these people to support the  
1540 President.

1541 . Q And was he also encouraging them to make  
1542 contributions to your organizations?

1543 . A As I said, I just never read it that way.

1544 . Q How else would they support the President?

1545 . A Well, they could support the President by  
1546 supporting, you know, doing anything they wanted to,  
1547 supporting lots of programs.

1548 . Q In the sentence in that paragraph which is above,  
1549 it refers to the fact that the person can be proud that you  
1550 have made a "crucial contribution," in helping our  
1551 President. Do you understand that to refer to a  
1552 contribution to one of your organizations?

1553 . A He could have meant that. You know, you are asking  
1554 me what he was thinking when he wrote this letter.

1555 . Q No, I'm asking you--

1556 . A I'm not him.

1557 . Q What you understand the letter to mean when you  
1558 read it?

1559 . A Well, frankly I never pay any attention to it. I  
1560 just thought it was a mass thank-you letter and encouraging  
1561 people to stay with the effort and to support the President  
1562 and stay active.

1563 . Q But it was a letter that you asked be sent?

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1564 . A Yes.

1565 . Q And what was your reason for asking it to be sent?

1566 . A Well, my original request was that he send a thank-

1567 you letter to everybody at the end of the year.

1568 . Q A thank-you letter for contributions to your

1569 organizations?

1570 . A For all of the help. Well, not necessarily to

1571 mine, but for all of the help that these people had done,

1572 whatever it was, in 1985. Just that, a thank-you letter and

1573 happy New Year.

1574 . Q Turning to the next group of pages beginning 34924

1575 through 34926, and then 30176 and 31739, these pages appear

1576 to relate to a White House briefing on January 30, 1986,

1577 although 31739 is dated January 31, 1986. First let me ask

1578 about the list of briefing attendees on 34924 through 34926.

1579 Is that a list consistent with your recollection of the

1580 persons who were invited to the January 30 briefing?

1581 . A Yes.

1582 . Q And is 30176 consistent with your recollection of

1583 the program for the January 30, 1986, briefing?

1584 . A Yes.

1585 . Q Do you know why there is a separate page for a

1586 briefing on January 31, 1986?

1587 . A Yes.

1588 . Q What is it?

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1589 . A This was a big public briefing in room 450 of the  
1590 EOB. You could get 300 people in there. It was part of  
1591 their outreach program on this issue. It just was  
1592 interesting that we had a meeting, I think, on a Thursday  
1593 and they had a meeting on a Friday or something like that.  
1594 . Q So that is unrelated?  
1595 . A We were invited to that.  
1596 . Q When you say 'we,' who do you mean?  
1597 . A I was invited to this.  
1598 . Q Were all of your contributors invited to this?  
1599 . A No, just me.  
1600 . Q Did you attend this second briefing?  
1601 . A No.  
1602 . Q And so far as you know, your contributors did not  
1603 attend the January 31, 1986, briefing?  
1604 . A Right, 450 is a theater-style room, where the  
1605 President makes major public statements. It's all keyed for  
1606 media and television lights. It's interesting that Ollie  
1607 would be giving the update.  
1608 . Q Turning to the next document, Mr. Channell, which  
1609 is a letter to Mr. Conrad from Steven Cook of the Edelman  
1610 public relations firm dated February 5, 1986, and has your  
1611 control No. 76225 and 76226, did NEPL enter into a  
1612 consulting arrangement with the Edelman firm?  
1613 . A Yes, we did.

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1614 . Q And is this letter the basis for the consulting  
1615 agreement?

1616 . A It might have been. I don't remember this letter.

1617 . Q Are the terms consistent with your recollection of  
1618 the consulting arrangement with the firm?

1619 . A Generally. I don't even remember the amount of  
1620 money. It may have changed.

1621 . Q What was the Edelman firm to do for NEPL?

1622 . A IBC, frankly, they considered themselves too small  
1623 to run a national publicity effort, to get our news out, to  
1624 get our--we had tapes for our documentaries that we had made  
1625 on Nicaragua. We wanted to beam them up by satellite, and  
1626 shoot them all over the country, to television stations  
1627 where they could record them and then use them. We wanted  
1628 to send out a lot of speakers, eight or ten teams of  
1629 speakers around the country, to talk about what life was  
1630 like in Nicaragua, and this was an effort to be a national  
1631 program, but we just didn't have--nobody had the staff to do  
1632 that, and when I checked with IBC, they said they just  
1633 didn't have any of the capability at all. They didn't have  
1634 any of the professional people, and therefore they would  
1635 suggest that we would go to somebody else that was a  
1636 national firm, different businesses all over the country  
1637 that would help handle this, people that could work with  
1638 press releases and try to get us on television, when I had a

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1639 | press conference, for instance, and so we chose Edelman to  
1640 | do that, simply because we were hoping to have a much larger  
1641 | framework to deal with than either my organization or IBC  
1642 | could handle.

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1643 DCMN SPRADLING

1644 . Q So their responsibilities were limited to these  
1645 particular areas of press relations and arrangements,  
1646 speaking tours?

1647 . A Publicity, that's right.

1648 . Q As a national TV hookup.

1649 . A Yes.

1650 . Q Of some sort.

1651 . A Yes.

1652 . Q You mentioned earlier when we were talking about  
1653 the lobbying proposal by Mr. Dolan that similar proposals  
1654 had been sought from other firms, and you mentioned the  
1655 Eddleman firm.

1656 . A Right.

1657 . Q In connection with that. Were they involved in the  
1658 lobbying effort?

1659 . A No, we didn't choose them for that.

1660 . Q Did they make a proposal with respect to that?

1661 . A Yes. Part of their proposal was that. See, I  
1662 would like to go back just a second. This letter is based  
1663 upon a long-term series of interviews and negotiations that  
1664 Dan Conrad had with all of these different businesses, which  
1665 lasted easily 3 months. I mean other than doing a to-do  
1666 list, and working with Rich and Frank frequently, he spent  
1667 all of his time from about 8 in the morning until 7 at night

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1668 sitting with these organizations discussing what their  
1669 facilities were, what their ability was, what their national  
1670 offices were like to handle a major educational and  
1671 informational and press program.

1672 . He did it for three months.

1673 . Q But am I correct that they were originally asked to  
1674 make a broader proposal?

1675 . A More comprehensive.

1676 . Q But they were ultimately selected to do a specific  
1677 portion.

1678 . A That's right.

1679 . Q Of the whole program.

1680 . A That's correct.

1681 . Q And not the entire program.

1682 . A That's right. We found that for our lobbying  
1683 efforts there weren't many people around who were  
1684 knowledgeable about the issue enough to really have any  
1685 impact on Capitol Hill.

1686 . Q With respect to your lobbying efforts, who did you  
1687 retain?

1688 . A Well, we retained just individuals. We didn't find  
1689 any firm that was capable.

1690 . Q I believe we have also discussed, we have already  
1691 discussed Mr. Cameron.

1692 . A Yes.

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1693 . Q And you have indicated he was one of the  
1694 individuals?  
1695 . A Yes, and Congressman Kuykendall.  
1696 . Q Right.  
1697 . Now, were there other individuals that you  
1698 retained?  
1699 . A No, those were the two.  
1700 . Q And Mr. Cameron you indicated was identified with  
1701 what might be characterized as a liberal faction in the  
1702 Congress, is that correct?  
1703 . A Well, you know this issue--  
1704 . Q Let me withdraw that question and ask you--  
1705 . A I can talk about application.  
1706 . Q Let me withdraw that question and ask it another  
1707 way. Did you retain Mr. Cameron for the purpose of lobbying  
1708 one particular segment of Congress, and Mr. Kuykendall for  
1709 the purpose of lobbying another segment?  
1710 . A That's right. We tried to reach out. We needed to  
1711 get support from a variety of groups in the Congress, and we  
1712 retained him to try to be liaison between us and them. We  
1713 retained Kuykendall to do the same thing with his groups.  
1714 . Q And how would you describe the groups that Mr.  
1715 Cameron was to create a liaison with?  
1716 . A Mr. Cameron seemed to hold influence and the  
1717 expertise with a group of Democrats who do believe that some

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1718 action in regard to American support for the freedom  
 1719 fighters is necessary. Mr. Kuykendall dealt with the group  
 1720 of Republicans mostly who again felt that some sort of aid  
 1721 to the freedom fighters was necessary. Neither of these  
 1722 groups was solid in their belief as to exactly what could be  
 1723 done. They were all undecided to my knowledge on the type  
 1724 of legislation that they would be willing to accept from the  
 1725 Administration.

1726 . Q Turning to the next document in Exhibit 1, which is  
 1727 a letter to you dated February 26, 1986 from Edie Frasier,  
 1728 which has your numbers <sup>34856</sup>~~22856~~ through 34859, and this appears  
 1729 to be a retainer agreement which you signed retaining her  
 1730 firm, Miner and Frasier, Public Affairs, Inc., is that  
 1731 correct?

1732 . A Yes.

1733 . Q What was this firm to do in support of the  
 1734 Nicaraguan legislation?

1735 . A Their efforts were to get people to write their  
 1736 Congressman. She was going to work through a lot of the  
 1737 groups she knew, the heads of the groups, to encourage the  
 1738 heads of these organizations, and there were many, to write  
 1739 their Congressman and talk about Nicaragua.

1740 . Q In the letter on the first page, it states that  
 1741 they are "to neither work with organizations with a goal to  
 1742 influence targeted congressional votes" and that "we

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1743 understand you have revised the target list and we will  
1744 receive it within 48 hours.'" The letter continues that  
1745 "'The initial list of priorities you gave us is 32 Democrats  
1746 and 33 Republicans.'"  
1747 . Do you recall giving Mrs. Frasier such a list, such  
1748 an initial list?  
1749 . A One was prepared for her, for everybody I think.  
1750 . Q And who prepared that list?  
1751 . A That would have been--I got the list from Rich  
1752 Miller, and again I assume that Congressman Kuykendall and  
1753 Rich put this together. At this point Rich might have been  
1754 talking with other people besides Dan Kuykendall.  
1755 . Q Do you know if he was talking with other people?  
1756 . A Yes, he was talking with other people. I don't  
1757 know, Penn Kimble is another one of Rich's friends whom he  
1758 later gave a grant to, and he has some influence with a lot  
1759 of Democrats, and Rich I know began to talk with him a lot.  
1760 I can't think of the names, but there were other people that  
1761 I do know that Rich worked with now on analyzing the list of  
1762 people. It was not just Dan Kuykendall. Rich mentioned to  
1763 me several times that there was one Congressman that I  
1764 thought--I would say are we going to be able to find out what  
1765 this man believes, and then Rich would have said something  
1766 like "'Well, Kuykendall says this, but Bruce Cameron has  
1767 said this'", so we got into a lot of that, and then I

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1768 started meeting with Bruce Cameron. Then I started meeting  
1769 with Penn Kimble because I found out there was a variety of  
1770 viewpoints on what these Congressmen really believed, not  
1771 just one, and of course it became to some degree confusing,  
1772 but it also illuminated the fact that people were changing  
1773 their minds a great deal and there were different sources of  
1774 information, but he began to deal with more than Dan  
1775 Kuykendall.

1776 . Q The sources you have identified so far are Mr.  
1777 Kuykendall, Penn Kimble, Bruce Cameron.

1778 . A Yes.

1779 . Q And Rich Miller.

1780 . A Yes.

1781 . Q Do you recall any other sources of information that  
1782 were used for targeting Congressmen?

1783 . A Well, other than written documents and things, I  
1784 don't right now, but I may later.

1785 . Q Did you ever consult with Colonel North?

1786 . A No.

1787 . Q Anyone else in the White House?

1788 . A No, we never got to meet <sup>them</sup>him. I wanted to meet Mr.

1789 Ball, who is the lobbying specialist for the White House,  
1790 and it was one of my desires to do that. We never did get  
1791 to do that.

1792 . Q Did you consult with Pat Buchanan?

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1793 . A No. We met with Pat Buchanan once, but it was not  
1794 about targeting Congressmen or anything like that.

1795 . Q Did you ever consult with John Roberts?

1796 . A No.

1797 . Q Do you recall revising this target list within 48  
1798 hours for Ms. Frasier as she indicates in the letter here?

1799 . A No, but the list was revised almost every day, when  
1800 new information came in, and when old information was  
1801 discredited, it became--in fact in my briefcase at one time I  
1802 had 15 different revisions, because people were changing.  
1803 People were moving, and it was a very difficult thing to  
1804 try.

1805 . Q Edie Frasier is the individual you had worked with  
1806 in 1985 on the refugee fund dinner, is that correct?

1807 . A Right.

1808 . Q Back in that period of time, do you recall a  
1809 discussion with Ms. Frasier where you indicated that you had  
1810 certain contributors who would contribute \$300,000 or more  
1811 to the cause if they could have a private meeting with  
1812 President Reagan?

1813 . A No.

1814 . MR. FRYMAN: I ask the reporter to mark as Channell  
1815 Deposition Exhibit 3 for identification a letter from Edie  
1816 Frasier to Oliver North dated March 4, 1985.

1817 . [Channell Deposition Exhibit No. 3 was marked for

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1818 identification.]

1819 BY MR. FRYMAN:

1820 Q Mr. Channell, if you would look at Exhibit 3 for  
1821 identification and tell me if the note on that letter, which  
1822 has been produced by Ms. Frasier, refreshes your  
1823 recollection about any conversation you had with her  
1824 concerning a substantial donation by one of your  
1825 contributors, one or more of your contributors, if they  
1826 could have a private meeting with President Reagan.

1827 A I don't ever remember that happening. There was an  
1828 article in the newspaper where this was attributed to me,  
1829 and there was a subsequent article in the newspaper where  
1830 she said that she had done this herself. At this time,  
1831 being the 4th of March, I had no idea who gave what. This  
1832 was still three weeks before the dinner, and we were still  
1833 in the planning stages for the dinner. I don't think we had  
1834 raised a penny for this yet. I am not even sure we had  
1835 started, and I had no idea on the face of it either that we  
1836 would be able to raise a dollar for this effort, and I can't  
1837 believe I would have said well, we have two people who will  
1838 give \$300,000 if they can meet the President.

1839 Q Apart from the specific amount of \$300,000, do you  
1840 recall any discussion with her that you had contributors who  
1841 would make a very substantial contribution if they could  
1842 have a private meeting with the President?

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1843 . A No. I do recall her saying to me that the  
1844 President was going to come for a reception or we would have  
1845 a reception, and that the members of the steering committee  
1846 or the dinner committee, whatever, would get to go. That is  
1847 all I know. She has since said in public that this did not  
1848 involve me. I was delighted to hear.

1849 . Q Mr. Channell, directing your attention to the next  
1850 document in Exhibit 1, which has your columns 29699 and  
1851 29700, which is a memorandum from Penn Kimble to Mr. Conrad  
1852 dated March 4, 1986, do you recall this memorandum?

1853 . A Yes.

1854 . Q Item 1 relates to a full page advertisement in the  
1855 Washington Post.

1856 . A Yes.

1857 . Q Do you recall discussions with Mr. Kimble about  
1858 that advertisement?

1859 . A Yes.

1860 . Q What did that reveal?

1861 . A He was drafting a full page advertisement that he  
1862 was hoping to receive some financial support for, to put in  
1863 newspapers around the country. Well, actually it says here  
1864 supporting American military assistance as well as economic  
1865 assistance to the freedom fighters. I don't really remember  
1866 the ad, and he wanted to know if we could help him  
1867 financially do that.

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1868 . Q And did you agree to do that?

1869 . A Yes, we did.

1870 . Q Was it your understanding that Mr. Kimble was also

1871 involved with Mr. Cameron in an organization?

1872 . A I think so. I have never really figured out

1873 exactly which was which, but they worked very closely

1874 together.

1875 . Q Were they both involved to your knowledge in

1876 something called the Center for Democracy in the Americas?

1877 . A That could have been. They worked very closely

1878 together, and they each had an organization, and I do recall

1879 that.

1880 . Q Did Mr. Kimble also have an organization called

1881 Prodemca?

1882 . A Well, yes.

1883 . That is indicated in the Democratic Center in

1884 Central America.

1885 . Q Other than funds for the cost of this advertisement

1886 that is described in this memorandum, did NEPL pay any

1887 additional monies to Mr. Kimble's organization Prodemca,

1888 that you are aware of?

1889 . A I don't think so. We just gave them money, a grant

1890 for the ads. I think he ran 3 or 4, something like that.

1891 . Q Did any of your other organizations pay any money

1892 to Prodemca?

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1893 . A I don't remember that they did.

1894 . Q Did any of your organizations pay any funds to Mr.

1895 Kimble individually or as an individual?

1896 . A I don't remember that. I wouldn't think so.

1897 . Q Turning to the next page, which is 81363, which

1898 appears to be a list of attendees at a presidential briefing

1899 on March 10, 1986, what do you understand that list refers

1900 to, or to phrase the question another way, did you

1901 understand that a presidential briefing had been scheduled

1902 for March of 1986?

1903 . A No.

1904 . Q Was this list prepared in your office?

1905 . A I think so. This is just another briefing.

1906 . Q Another briefing on Central America?

1907 . A Yes.

1908 . Q That was conducted by Colonel North?

1909 . A Yes.

1910 . Q And you do not know why it's headed "Presidential

1911 briefing"?

1912 . A It's possible we had a temporary typist, but this

1913 was just another briefing.

1914 . Q Is that list consistent with your recollection of

1915 the persons who attended the March briefing at the White

1916 House?

1917 . A It's too many. We had many fewer than that show

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1918 up.

1919 . Q Is it consistent with your recollection of the  
1920 persons who were invited?

1921 . A Yes. All of these people had been there before I  
1922 think except 1 or 2.

1923 . Q Do you recall who showed up at that briefing?

1924 . A I don't remember who some of these people were.

1925 . Q Turning to the next group of documents beginning  
1926 with a memorandum to Mr. Conrad dated March 19, 1986 from  
1927 Eric Singer of the Center for Democracy in the Americas,  
1928 concerning projections on tomorrow's vote in the House, which  
1929 is 78810 through 78812; and another memorandum for Mr.  
1930 Conrad from Bruce Cameron under the same date, which is  
1931 76222 and 76223, do you recall having seen these documents  
1932 before?

1933 . A Yes.

1934 . Q Is the first memorandum from Mr. Singer an example  
1935 of the services that were performed by Mr. Cameron's  
1936 organization on behalf of NEPL and/or Sentinel?

1937 . A This would have been, though it's addressed to  
1938 Sentinel, be I guess Bruce Cameron's last summary of what he  
1939 thought was going to happen in the House vote.

1940 . Q The second document, the memorandum from Mr.  
1941 Cameron, is identified as an activities report. Did you ask  
1942 Mr. Cameron to submit activities reports?

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1943 . A He was asked to do that. I have seen some of  
 1944 these. I don't know whether I did or Dan did.  
 1945 . Q This is just an example of several that he  
 1946 submitted?  
 1947 . A Yes, oh yes. The problem with some of these was I  
 1948 thought it was irrelevant to what we were doing.  
 1949 . Q Now the letterhead on that report indicates that  
 1950 Mr. Kimble is chairman of the Center for Democracy in the  
 1951 Americas, and Mr. Cameron is president. Does that refresh  
 1952 your recollection?  
 1953 . A Yes. I knew they were together in some way.  
 1954 Prodemca doesn't stand for anything that when you spell it  
 1955 out it is Prodemca. They have made up their own title which  
 1956 is irrelevant to the title of their organization. I have  
 1957 never been able to remember what it was.  
 1958 . Q Turning to the next document, which is letter dated  
 1959 75874 and it's dated March 21, and it appears to be a form  
 1960 letter signed by you and the American Conservative Trust, do  
 1961 you recall that letter?  
 1962 . A I do not recall this going out. I don't ever  
 1963 recall us using MCI mail, for instance. This might have  
 1964 been something that <sup>Edelman</sup> ~~Edelman~~ did as part of his program for  
 1965 us.  
 1966 . Q Do you recall this letter being prepared?  
 1967 . A I don't recall that.

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1968 . Q Have you seen this letter before?

1969 . A Yes, I have seen a copy of this, and I actually

1970 thought this was just a draft of something that was

1971 proposed. I called several people after the vote and told

1972 them who we had hoped to count on and we couldn't. I was

1973 really unaware that this ever went out. Angela Davis, of

1974 course, is my secretary, so it was as you say a form.

1975 . Q Do you know who proposed that a letter such as this

1976 be sent?

1977 . A Either Dan Conrad would have or <sup>Edelman</sup>~~Eddleman~~ would

1978 have. Again I don't even know what MCI mail is.

1979 . Q Why would the Eddleman firm have proposed a letter

1980 such as this, if their responsibilities were limited as you

1981 indicated before?

1982 . A Well, if we would have said to <sup>Edelman</sup>~~Eddleman~~ we want to

1983 get out to the whole world the people who voted against the

1984 President on this issue, how would you do that quickly, I am

1985 sure they could respond and say well, there is an MCI mail.

1986 I don't even know what it is, whether it is overnight or

1987 what, and you could use that.

1988 . Q So when you say the <sup>Edelman</sup>~~Eddleman~~ firm may have proposed

1989 it, you mean they might have proposed the mechanical

1990 technique?

1991 . A Yes.

1992 . Q Of sending the letter.

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1993 . A Right. I mean we have our own stationary. We could  
1994 have mailed this on our own stationary.  
1995 . Q But you are not suggesting that the <sup>side inquiry</sup> ~~Sedleman~~ firm  
1996 proposed the substance of this letter?  
1997 . A No. I am talking about the technique.  
1998 . Q Do you have any recollection of the origin of the  
1999 substance of this letter?  
2000 . A Well, I don't know who put the list together.  
2001 . Q Turning to the next group of documents, which is  
2002 your numbers 34891 through 34896, which is a list of  
2003 briefing attendees as of March 27, 1986, and is three copies  
2004 of the same list, is this list consistent with your  
2005 recollection of the attendees at the March 1986 briefing  
2006 with Colonel North?  
2007 . A I would suppose so. That must have been when Bill  
2008 O'Boyle was here. I thought it was April.

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2009 RPTS MAZUR

2010 DCMN DONOCK

2011 12:30 p.m.

2012 . Q Turning to the next document, which is a letter to  
2013 you from Adam Goodman, dated March 31, 1986, and it is page  
2014 number 77744 through 77747, did you request Mr. Goodman to  
2015 send you a letter such as this?

2016 . A I asked him to send me a summary of what they had  
2017 done. We asked everybody who worked with us to send a  
2018 report on what they had done. Came just as a letter.

2019 . Q Now, on page 2 and 3 of this letter, there is a  
2020 statement that NEPL produced seven commercials for the  
2021 national ad campaign, and those are identified, and then he  
2022 continues in the next paragraph that concerning the actual  
2023 placement of spots, NEPL aired these commercials  
2024 cumulatively over 1100 times in Washington and the other  
2025 television targeted markets.

2026 . Was it your understanding that these commercials  
2027 were the principal commercials that were used in the public  
2028 education campaign in 1986?

2029 . A Oh, yes. They were all educational ads.

2030 . Q And the air time was paid for by NEPL?

2031 . A Yes.

2032 . Q Let's go off the record.

2033 . [Discussion off the record.]

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2034 . MR. [REDACTED] just break for lunch at  
2035 this point, and I will start on this subject after we break  
2036 for lunch? Why don't we break and we will try to start at  
2037 approximately 1:30?  
2038 . THE WITNESS: Okay. Great.  
2039 . [Whereupon, at 11:40 a.m., the taking of the  
2040 deposition was recessed, to recommence at 1:30 p.m., the  
2041 same day.]

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2042

2043 RPTS MAZUR

2044 DCMN DONOCK

2045 1:55 p.m.

2046 AFTERNOON SESSION

2047 . BY MR. FRYMAN:

2048 . Q Mr. Channell, when we broke for lunch, we were  
2049 discussing the letter to you from Adam Goodman dated March  
2050 31, 1986, and the seven commercials that are specifically  
2051 referred to in that letter at pages 2 and 3.

2052 . During the break, we talked about your familiarity  
2053 with the accounting records that show billings by the  
2054 Goodman agency for those commercials, and it is my  
2055 understanding that you do not have a detailed knowledge of  
2056 the billing records or of the accounting records of the  
2057 charges for the media time for those commercials; is that  
2058 correct?

2059 . A That is right. Especially because they were changed  
2060 sometimes.

2061 . Q Turning to the next letter in Exhibit 1, which is a  
2062 letter from you to Mr. Miller dated April 15, 1986, and it  
2063 has pages 79240-41. In that letter, you referred to various  
2064 subcontractors to IBC that assisted in the lobbying campaign  
2065 for the Nicaragua aid vote or for the vote for aid to the  
2066 Nicaraguan resistance.

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2067 . The list on the second page includes Mr. Artiano and  
2068 Mr. Fischer, which we have discussed. We have also  
2069 discussed Mrs. Frazier and the Goodmans and Mr. Kuykendall.  
2070 Others included in that list are Steve Cook. Am I correct  
2071 that Mr. Cook was the executive at the Edelman agency who is  
2072 responsible for their work; is that correct?

2073 . A Yes.

2074 . Q The list also includes Jack Lichenstein, L-i-c-h-e-n-  
2075 s-t-e-i-n. What was Mr. Lichenstein's role as a  
2076 subcontractor?

2077 . A He had the same role as Edie Frazier, except he had  
2078 different groups to deal with.

2079 . Q And that role involved generation of--

2080 . A Support to Congressmen--yes, grass-roots support to  
2081 Congressmen.

2082 . Q The list also includes the UNO Office. How was the  
2083 UNO Office a subcontractor of IBC?

2084 . A I don't think it was. We--we had dealt with their  
2085 staff at various times, and had met with them at various  
2086 times, and under Rich Miller's guidance--or I guess you say  
2087 when he thought it was appropriate to meet with him, and I  
2088 just added that.

2089 . Q So that was the reason for including them in that  
2090 letter.

2091 . A That is right. I put everybody in there frankly

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2092 that he brought in for one reason or another, but he had not  
2093 had any financial relationship with any of those people.

2094 Q Now, turning to the next group of pages which  
2095 concern the briefing on April 16, 1986, and those are pages  
2096 34897, 34898, 34889 and 34890, is this a list of attendees  
2097 that is consistent with your recollection of the persons who  
2098 attended the April 1986 briefing?

2099 A Yes, it is. I would like say for the record, you  
2100 mentioned to me a document entitled "'Presidential  
2101 Briefing,'" and over lunch, I realized that there was a  
2102 Presidential briefing in the East Room of the White House  
2103 which our whole staff and other people were invited, and  
2104 that might have been what that was for.

2105 Q What did that Presidential briefing concern?

2106 A It discussed Nicaragua. Many people were--hundreds  
2107 of people were invited to that, and we took everybody we  
2108 could find. That was not one of our meetings. We were  
2109 invited to them.

2110 MR. MCGOUGH: May I ask, did the President attend  
2111 that briefing?

2112 THE WITNESS: I think so.

2113 BY MR. FRYMAN:

2114 Q That is the document dated March 10 in Exhibit 1,  
2115 which is 81363.

2116 A Yes, it was not one of our briefings.

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2117 . Q That list for a briefing includes Mr. and Mrs.  
2118 Pentacost. Do you believe you invited Mr. and Mrs.  
2119 Pentacost to come to Washington to attend that general  
2120 briefing?

2121 . A They might have already been there, but it was  
2122 not--our organizations did not generate that event.

2123 . Q All right.

2124 . Returning to the documents that follow the materials  
2125 relating to the April 16 briefing, there is some financial  
2126 statements of NEPL that appear at pages 29125 through 29130.  
2127 On several pages of these financial statements, there is a  
2128 reference in the project column to toys. For example, in  
2129 the third page--

2130 . A What is your number again, please?

2131 . Q 29127.

2132 . A Okay.

2133 . Q There is an entry that states: April 1, O'Boyle is  
2134 the contributor. The solicitor is Jane and the project is  
2135 toys. The account is Patton, and the amount is \$130,000.  
2136 Is that an example of the toys account that we discussed  
2137 yesterday?

2138 . A Precisely.

2139 . Q Turning to the next document, which is a letter to  
2140 Mr. Conrad from Dan Kuykendall dated May 5, 1986, document  
2141 number 35541, which states that this letter should be

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2142 considered an invoice for consulting research and resource  
2143 information from the Gulf and Caribbean Foundation, and then  
2144 it continues that this sum covers "our advisory and  
2145 consulting contribution to the contra aid effort for the  
2146 remainder of 1986."

2147 . What services were provided by the Gulf and  
2148 Caribbean Foundation?

2149 . A Dan Kuykendall, as you know, acted as a resource for  
2150 us as well as lobbyist. He has been working in the  
2151 Nicaraguan issue for several years, long before we became  
2152 involved. He introduced us to maybe 15 people from the Gulf  
2153 and Caribbean Foundation who were very interested in  
2154 Nicaragua, who had had experience in Nicaragua, who had  
2155 interests in Latin America, many of whom live in Texas.

2156 . He hosted luncheons for that. He got us from the  
2157 Gulf and Caribbean Foundation literature that they have  
2158 printed on that area, and--that was very separate from his  
2159 personal lobbying activities, and so, there was a bill--he  
2160 calls it a contribution, which I think is more accurate.

2161 . This covered, I think, three months, and then he  
2162 introduced me to a European, and we had several meetings  
2163 with this European--Frenchman who worked with the Gulf and  
2164 Caribbean Foundation last summer as part of his  
2165 activities--as part of his activities representing the Gulf  
2166 and Caribbean Foundation, not as a lobbyist.

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2167 . Q Well, is it correct that NEPL was paying the Gulf  
2168 and Caribbean Foundation for advisory and consulting  
2169 services to the contra aid effort?

2170 . A I think that is just a general statement.

2171 . Q Well, is it a correct general statement?

2172 . A He was a lobbyist and we paid him as a lobbyist, and  
2173 when he introduced us to these people, which was more in the  
2174 way of information--I mean, they were not lobbying. He was  
2175 not asking them to lobby. They did not need to be lobbied,  
2176 because they had nothing to do with contra aid effort at  
2177 all. They were just very well connected in Latin America  
2178 and very knowledgeable about the situation.

2179 . So, I--I think that on his part, it is just a general  
2180 statement. These people, most of whom have their references  
2181 in Texas, have nothing to do with any of our lobbying  
2182 efforts on the Nicaraguan aid bill, and you would not find  
2183 their names anywhere.

2184 . Q Turning to the next documents, Mr. Channell,  
2185 numbered 36710, 36711, 36712 and 36713 as well as 36714, do  
2186 you recognize these documents?

2187 . A Well, this was evidently the transcript from Edna  
2188 Healey's notes on our fund-raising meeting the 23rd of May  
2189 regarding our planned program on SDI.

2190 . Q Now, who is Edna Healey?

2191 . A She was my ex-secretary who came out of retirement

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2192 | because she has excellent shorthand, to work at that  
2193 | meeting.  
2194 | . Q And she made a verbatim transcript of what was said  
2195 | at the meeting?  
2196 | . A Not verbatim, no.  
2197 | . Q She made very detailed notes?  
2198 | . A Yes, she went as far as she could. There was so  
2199 | much activity and discussion and brainstorming that she lost  
2200 | a lot, and she said, this is as much as I can keep up with.  
2201 | . Q Now, are pages 36710 and 36711 a first typed draft  
2202 | of her notes and the succeeding pages an edited draft?  
2203 | . MS. MORRISON: Does this have to do with Nicaragua?  
2204 | . MR. FRYMAN: Yes.  
2205 | . THE WITNESS: I never read this in its entirety  
2206 | before. In fact, all I read were the quotes in the  
2207 | newspaper, so--I think there were three quotes out of this in  
2208 | the newspaper.  
2209 | . BY MR. FRYMAN:  
2210 | . Q Well, it appears that the latter three pages of the  
2211 | same text at the initial two pages, but there were some  
2212 | paragraphs inserted and some minor editing. You can look at  
2213 | the copy yourself and see if you agree with it?  
2214 | . A Okay, surely.  
2215 | . MS. MORRISON: I mean, it is what it is. If it is  
2216 | edited, it is edited. So, he is going to give you a non-

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2217 expert opinion as to what it is. Doesn't seem to have any  
2218 value to it.

2219 . BY MR. FRYMAN:

2220 . Q Are you aware that Mrs. Healey made notes of the  
2221 meeting and prepared a transcript, and then the initial  
2222 draft of that was edited by someone?

2223 . A No.

2224 . Q You are not aware of that?

2225 . A She only appeared at this meeting and then she got  
2226 ill, and then I know she told me she was going to get us the  
2227 records of the meeting, and then I know--I know that the  
2228 record came to the office, that they said Edna's notes have  
2229 shown up and that is all I know. I never looked at them,  
2230 because the--the projected program, of course, never came  
2231 off, and I just never had a chance to review them.

2232 . Q Who was speaking at this fund-raising meeting on May  
2233 23 when she made the notes?

2234 . A I spoke part of the time. We had our entire staff  
2235 there, I think, six or eight people there.

2236 . Q So, who spoke other than yourself?

2237 . A It would have been Jane McLaughlin and Dan Conrad  
2238 and Chris Littledale, Cliff Smith, Dan Conrad--at a minute.

2239 . Q And this meeting was held on May 23, 1986?

2240 . A That is what the date says.

2241 . Q Is that consistent with your recollection?

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2242 . MS. MORRISON: Do you have a recollection?

2243 . THE WITNESS: I don't even know what day that was,

2244 but I know it was in May some time.

2245 . BY MR. FRYMAN:

2246 . Q It was in May of 1986?

2247 . A Yes.

2248 . Q And this followed your experience with the Central

2249 American Freedom Program in the earlier months of 1986, did

2250 it not?

2251 . A Yes, that program was dormant, not dead, but just

2252 dormant.

2253 . Q And you were turning your attention to another

2254 program involving the Strategic Defense Initiative?

2255 . A We had started in April.

2256 . Q And were you drawing upon your experience in the

2257 Central American Program in planning your fund-raising for

2258 the SDI program?

2259 . A It was--of course, we had experience there, yes. It

2260 was a little different in that we were going to do surveys.

2261 We had a feeling--I had a feeling that SDI was a very popular

2262 issue among the American people, but had not been explained

2263 correctly.

2264 . I wanted to determine what it was about SDI that was

2265 keeping the understanding of the American people incorrect,

2266 and so, we were going to commission Arthur Finklestein to do

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2267 a series of studies around the country to try to find out  
2268 what it was that was the key to helping the American people  
2269 understand the value of SDI, and that was part of our  
2270 program, was to get a handle, a very extensive handle on a  
2271 huge sample of opinion on SDI, and what people thought about  
2272 it, and how--how it could be effectively explained to the  
2273 American people.

2274 . Q But your experience in the lessons you had learned  
2275 in fund-raising--

2276 . MS. MORRISON: Tom, we will confess that May came  
2277 after April, March, February and January in 1986, and most  
2278 of us who were alive in April of 1986 knew more than we  
2279 did in January of 1986. That is obvious, okay? This has  
2280 nothing to do with Nicaragua. Can we move on to something  
2281 that is relevant?

2282 . MR. FRYMAN: Well, it is interesting you now say it  
2283 has nothing to do with Nicaragua, since you produced this  
2284 document in response to a subpoena asking for documents  
2285 relating to Nicaragua.

2286 . MS. MORRISON: We took, as I think you understood at  
2287 the time, a very broad view which was consistent with our  
2288 discussions of certain of the requirements in that subpoena  
2289 which required us to produce every document in the  
2290 organization's possession that listed or used certain words  
2291 like President, White House, North and a variety of other

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2292 names and identifying terms, and we would never have wanted  
2293 to be in a position to have been accused of withholding a  
2294 document from you that was called for by the subpoena.

2295 . That doesn't necessarily mean we have to spend time  
2296 this afternoon having Mr. Channell answering questions about  
2297 documents that are not relevant to your mandate.

2298 . MR. FRYMAN: In my judgment, these questions are  
2299 relevant, and I intend to ask these questions.

2300 . THE WITNESS: Go ahead.

2301 . BY MR. FRYMAN:

2302 . Q Now, I was asking you, Mr. Channell, if in your fund-  
2303 raising meeting in May of 1986, with regard to SDI and your  
2304 plans for raising funds from your family of contributors,  
2305 were you drawing upon your experience that you had in fund-  
2306 raising for the Central America Program?

2307 . A Probably.

2308 . Q Now, in this document at page 36712, it states, so  
2309 when these people give us \$30,000 and our ads cost \$35,000 a  
2310 day around the country, they are in many districts literally  
2311 giving a political contribution to support President  
2312 Reagan's Congressional candidates.

2313 . Do you know who made that statement at the meeting?

2314 . MS. MORRISON: Mr. Fryman, this document, the  
2315 meeting, had nothing whatsoever to do with Nicaragua. That  
2316 is a hypothetical phrase. It doesn't matter who it was made

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2317 by. The statement has nothing to do with the facts  
 2318 underlying the subject matter that brings us all together  
 2319 for this great occasion.

2320 . MR. FRYMAN: You may answer the question.

2321 . MS. MORRISON: He is not going to answer the  
 2322 question. We have got to draw the line somewhere, and it is  
 2323 not relevant to what you all are supposed to be looking at.

2324 . MR. FRYMAN: Are you directing him not to answer the  
 2325 question?

2326 . MS. MORRISON: Yes, and I would say part of the  
 2327 foundation for that is because our mission here is not to  
 2328 figure out what Mr. Channell's political philosophy was at  
 2329 in 1985, 1986, or any other time. It has to do with what he  
 2330 had to do, if anything, in connection with contra fund-  
 2331 raising. We are all entitled to think and say what we want.  
 2332 Let's get to Nicaragua.

2333 . BY MR. FRYMAN:

2334 . Q Now, Mr. Channell, was it your experience in the  
 2335 Central American fund-raising campaign that when your  
 2336 contributors gave dollars for the television ads, they were  
 2337 literally making a political contribution to support  
 2338 President Reagan's Congressional candidates?

2339 . A No.

2340 . Q Why was that different from the SDI program?

2341 . MS. MORRISON: He doesn't have to differentiate why

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2342 | it was different from the SDI program, Mr. Fryman.

2343 |       MR. FRYMAN: Are you directing him not to answer?

2344 |       MS. MORRISON: Yes, I am.

2345 |       BY MR. FRYMAN:

2346 |       Q There is also the statement on this page, Mr.

2347 | Channell, "and being that it is an election year, we can

2348 | hype this issue and it will become known (implied) who is

2349 | supporting this issue-the incumbent or the challenger. We

2350 | are really going to be giving a \$30,000-plus contribution to

2351 | the challenger candidate."

2352 |       Is that a statement you made in this meeting, Mr.

2353 | Channell?

2354 |       MS. MORRISON: He doesn't have to answer that. This

2355 | is a meeting that had nothing to do with Nicaragua.

2356 |       MR. FRYMAN: He will answer it unless you direct him

2357 | not to, Mrs. Morrison.

2358 |       MS. MORRISON: I am directing him not to answer the

2359 | question.

2360 |       MR. FRYMAN: All right, we will make a record on

2361 | this, and then we will decide--or it will be decided whether

2362 | or not he has to answer these questions.

2363 |       BY MR. FRYMAN:

2364 |       Q Again, Mr. Channell, was that statement consistent

2365 | with your experience with respect to contributions to the

2366 | Central American campaign that contributions to your

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2367 organizations were really contributions to candidates in the  
 2368 Congressional races?

2369 . A No.

2370 . Q Turning to the next page, 36713, Mr. Channell, in  
 2371 the middle of the page, states "including this approach on  
 2372 someone like Harry Lucas, Barbara Mawington, Ellen Garwood,  
 2373 Mel Salwaser, Salvatore or innumerable political crazies,  
 2374 will have an incredible impact."

2375 . Was that a statement that you made, Mr. Channell?

2376 . MS. MORRISON: It is an irrelevant point, Mr.  
 2377 Fryman. The meeting had nothing to do with Nicaragua.

2378 . MR. FRYMAN: Are you directing him not to answer?

2379 . MS. MORRISON: Yes.

2380 . BY MR. FRYMAN:

2381 . Q Do you know who made that statement, Mr. Channell?

2382 . MS. MORRISON: Same objection.

2383 . BY MR. FRYMAN:

2384 . Q Were those individuals listed in that paragraph,  
 2385 contributors to the Central American program run by your  
 2386 organizations?

2387 . A Three of them were.

2388 . Q Which three?

2389 . A The first three. I don't think Mr. Salvatore gave  
 2390 to us.

2391 . Q Well, you say the first three. I take it you don't

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2392 mean Mr. Lucas?

2393 . A I am sorry, he didn't give, either.

2394 . Q So you say Mrs. Newington, Mrs. Garwood and Mr.

2395 Salwaser?

2396 . A The reason why they gave or reason why I listed them

2397 is not because they gave to us but because they had a

2398 certain intensity of political commitment.

2399 . Q Now, did the approach referred to in this memorandum

2400 have an incredible impact on the three individuals you

2401 identified as having contributed to the Central American

2402 campaign?

2403 . MS. MORRISON: Same objection, and same direction,

2404 Mr. Fryman. Doesn't have anything to do with--

2405 . MR. FRYMAN: Well, I will restate the question, Mrs.

2406 Morrison, but I think it very specifically does.

2407 . BY MR. FRYMAN:

2408 . Q Did the fund-raising approach which is described in

2409 this memorandum, did that approach have an incredible impact

2410 on Mrs. Newington, Mrs. Garwood and Mr. Salwaser in your

2411 fund-raising efforts with respect to Central America?

2412 . MS. MORRISON: You are right, different objection,

2413 no foundation for the question. No basis to believe that

2414 approach was used in connection with Central American fund-

2415 raising.

2416 . MR. FRYMAN: Well, let me try to respond to Mrs.

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2417 Morrison's concern, Mr. Channell.

2418 BY MR. FRYMAN:

2419 Q Was this fund-raising approach that is described in  
2420 this memorandum used by your organizations in the Central  
2421 American campaign?

2422 A No.

2423 Q It was not?

2424 A It was not.

2425 Q The approach that is described in this memorandum,  
2426 Mr. Channell, is to point out to contributors that their  
2427 contributions to your organization are tax-deductible, is it  
2428 not?

2429 MS. MORRISON: Wait a minute. I am going to object  
2430 to that one, too. We are not going to discuss what is in  
2431 this memo, because we can spend the day on whether the memo  
2432 says A and whether it says B or maybe a little of each of  
2433 them or--

2434 MR. FRYMAN: At the rate we are going, we are going  
2435 to spend more than a day; that is up to you.

2436 MS. MORRISON: If you want to formulate a question  
2437 about whether a particular aspect of his campaign involved a  
2438 regular methodology, let's have at it. But a multi-page  
2439 document which has nothing to do with Central America is or  
2440 is not properly characterized as something that fairly  
2441 summarizes his approach to Central America.

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2442 . MR. FRYMAN: Well, Mrs. Morrison, I am trying to  
2443 deal with your objection to my question as saying there was  
2444 no foundation with respect to the approach described in this  
2445 memorandum.

2446 . MS. MORRISON: And you asked the right question and  
2447 you got the answer; it doesn't.

2448 . MR. FRYMAN: --having been used in the Central  
2449 American campaign. Now, I am trying to follow up on that by  
2450 getting defined on the record what the approach in this  
2451 memorandum is. I can rephrase the question by asking Mr.  
2452 Channell to summarize the approach that is described in this  
2453 memorandum.

2454 . MS. MORRISON: I don't think we ought to be talking  
2455 about the memo. If you want to ask him--a particular facet  
2456 of his program in Central America was X or Y, maybe we can  
2457 get into that, but I don't think we ought to be basing  
2458 questions on this memorandum. It is irrelevant.

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2459 RPTS CANTOR

2460 DCMN MILTON

2461 [2:30]

2462

2463 . THE WITNESS: I would like to say, I'm not sure you  
2464 know, that this memorandum in my view does not constitute  
2465 nearly all of the meeting. The meeting was at least three  
2466 hours long, and this is not three hours worth of yacking by  
2467 a long shot. I don't know what was deleted, and I don't  
2468 know what the questions were. As you know, this was a  
2469 meeting, but it's not written up as a question and answer  
2470 format. There are no questions here at all, and yet there  
2471 was a very lively discussion for at least three hours, so I  
2472 have no idea what was deleted, nor do I know where these  
2473 comments are answers to a question, nor do I know what is  
2474 hypothetical, what I really was feeling or what was a  
2475 hypothetical situation, because there is no guidance in the  
2476 literature at all.

2477 . BY MR. FRYMAN:

2478 . Q Are you contending that this is an inaccurate  
2479 account?

2480 . A Incomplete.

2481 . Q But not inaccurate of what was reported here?

2482 . A Right, but I think it is very incomplete. Mrs.

2483 Haley herself said it was very incomplete. She is in her

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2484 70s, and we just ran out of hand power.

2485 . Q The paragraph that we have been discussing, Mr.  
2486 Channell, talks about using this approach, and the following  
2487 paragraph continues that 'we are going to give them an  
2488 opportunity to give a \$30,000 tax deductible political  
2489 contribution, and we want to tell them how to do it.'

2490 . Is that a summary of the fund-raising approach that  
2491 was under discussion at this meeting?

2492 . MS. MORRISON: Objection; same direction to the  
2493 witness, and we have not been discussing this memo. You  
2494 have been asking questions based on it. We have been  
2495 objecting to it forming the basis for any questions.

2496 . MR. FRYMAN: You direct the witness not to answer?

2497 . MS. MORRISON: Yes.

2498 . BY MR. FRYMAN:

2499 . Q Is that what your organizations had been doing, Mr.  
2500 Channell, in the Central American program, and by that I  
2501 mean specifically giving your contributors an opportunity to  
2502 take a tax deductible political contribution, and you were  
2503 telling them how to do it?

2504 . A No.

2505 . Q How <sup>is</sup> ~~as~~ Nicaragua different from SDI in that  
2506 respect?

2507 . MS. MORRISON: We are not going to talk about SDI.

2508 . MR. FRYMAN: Is that a direction for him not to

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2509 answer?

2510 . MS. MORRISON: Yes.

2511 . THE WITNESS: Can I make a statement? I would like  
2512 to say that in Micaragua we were not involved in elections.  
2513 We were involved in education, and we weren't even thinking  
2514 about elections, it just wasn't in our minds. We were  
2515 involved in a grand educational process. That is one of the  
2516 many reasons that would make that different from this  
2517 discussion, which, as you know, was a hypothetical deal.  
2518 Nothing ever came of it, as you know.

2519 . BY MR. FRYMAN:

2520 . Q In the last paragraph on page 36713, the memorandum  
2521 states that "but you can see we don't call them  
2522 congressional districts; we call them media markets, where  
2523 interestingly enough, your congressmen will hear all this  
2524 media."

2525 . In the Central American campaign, you called the  
2526 areas media markets, did you not?

2527 . A That's correct.

2528 . Q Did you say, Mr. Channell, that with respect to  
2529 Micaragua and Central America, you were not involved in  
2530 congressional campaigns?

2531 . A That's correct.

2532 . Q Would you turn to document 36004, which is a  
2533 telegram dated September 9, 1986.

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2534 . MS. MORRISON: Can you give us a rough idea how far  
2535 down this is?

2536 . MR. FRYMAN: Yes. They are in chronological order,  
2537 so if you would look for September 9, 1986.

2538 . BY MR. FRYMAN:

2539 . Q That appears to be a mailgram which you sent to  
2540 Lieutenant Colonel Oliver North, which states: "We have  
2541 the honor to inform you that Congressman Michael Barnes, foe  
2542 of the freedom fighter movement, adversary of President  
2543 Reagan's foreign policy goals and opponent of the  
2544 President's vision for American security in the future, has  
2545 been soundly defeated in his bid to become the Democratic  
2546 candidate for the U.S. Senate from Maryland. His defeat  
2547 signals an end to much of the disinformation and unwise  
2548 effort directed at crippling your foreign policy goals. We  
2549 at the Anti-Terrorism American Committee (ATAC) feel proud  
2550 to have participated in a campaign to ensure Congressman  
2551 Barnes' defeat."

2552 . Did you send that telegram to Colonel North?

2553 . MS. MORRISON: Can we have just a minute to consult  
2554 here for a second?

2555 . [Witness and counsel consult.]

2556 . MS. MORRISON: I'm going to make the same objection  
2557 that I have made to your earlier questions about documents  
2558 and issues that don't involve Nicaragua. This is a telegram

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2559 that deals not with anything related to contra aid, Central  
2560 America or Nicaragua. It's something that involves an  
2561 organization of Mr. Channell's that was not involved in  
2562 supporting Nicaraguan-related programs, and therefore I  
2563 object to its being used as the basis for questions of Mr.  
2564 Channell in connection with what brings us together here  
2565 today.

2566 . MR. FRYMAN: The question on the floor is, did he  
2567 send the telegram?

2568 . MS. MORRISON: It doesn't matter. The objection is  
2569 to anything related to the document. It's an irrelevant  
2570 document.

2571 . MR. McGOUGH: Even though it refers to the freedom  
2572 fighters?

2573 . MS. MORRISON: The document has nothing to do with  
2574 any organization of Mr. Channell's that did anything with  
2575 respect to the freedom fighter movement.

2576 . MR. McGOUGH: That wasn't the original objection.  
2577 The original objection is that the telegram had nothing to  
2578 do with the freedom fighters. I think the objection was  
2579 that the telegram didn't have anything to do with the  
2580 Nicaraguan issue, but it does in that it refers directly to  
2581 the freedom fighters.

2582 . MS. MORRISON: The words appear to be there, but it  
2583 doesn't have reference to the freedom fighter movement or

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2584 any activity related to the freedom fighter movement.  
2585 Freedom fighter movement is in a descriptive phase used  
2586 about a former Congressman.

2587 MR. McGOUGH: I think you are reaching on this.

2588 MS. MORRISON: Can I tell you for the record what  
2589 my problem is? I think there is some reaching going on in  
2590 terms of the questions and I'm reluctant to come to that  
2591 conclusion because, quite frankly, we have been here  
2592 informally and formally in order to answer your questions  
2593 and help you go through the facts and circumstances and all  
2594 kinds of arguably tangentially related material that will  
2595 help you understand the mission that formed this committee  
2596 and that brings us here today.

2597 The problem is that I don't want to see us get  
2598 sidetracked from that honorable mission by trying to ferret  
2599 out or try to render relevant what Mr. Channell's personal  
2600 views are, what his philosophy is, what his politics are, or  
2601 where they may or may not coincide or separate from anybody  
2602 else who may have considered that or other political issues,  
2603 and it doesn't seem to me that getting into documents that  
2604 don't have anything to do directly with his activities in  
2605 connection with the support of Central America and  
2606 Nicaraguan freedom fighters has anything to offer any of us  
2607 here that is worthwhile or worth pursuing.

2608 MR. McGOUGH: Just for the record let me say on

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2609 behalf of the Senate committee that I have stayed mum during  
2610 the debate over the last argument. I felt the issues were  
2611 being fairly well joined, but on behalf of the Senate  
2612 committee, I don't think frankly you have a leg to stand on.  
2613 It's a direct reference to the freedom fighter movement,  
2614 the Barnes campaign is well documented as being related to  
2615 the Nicaraguan issue. I will pass it back to Tom, but I  
2616 think this is one where the Senate committee and the House  
2617 committee are essentially standing--

2618 MR. OLIVER: I would like to say for the record  
2619 also that Congressman Barnes was the Chairman of the Latin  
2620 American Affairs Subcommittee dealing with the issues of  
2621 Central America throughout 1985 and 1986. It was the Barnes-  
2622 Hamilton amendment and the Barnes-Hamilton legislation which  
2623 the Central American freedom program was designed to defeat  
2624 in 1986. Mr. Barnes was the leading opponent in the House  
2625 of Representatives to aid to freedom fighters.

2626 MS. MORRISON: And he lost that issue and he lost  
2627 the election. By exploring former Congressman Barnes in  
2628 connection with this matter, I would like to know what issue  
2629 we are going to pursue that has any meaningful and honorable  
2630 relevance to why we are here. That is my concern, Mr.  
2631 Oliver.

2632 MR. MCGOUGH: Again you have got a mailgram to  
2633 Oliver North referring to Congressman Barnes and the freedom

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2634 fighters, incorporating ATAC in its terms. To me it isn't  
2635 even a close question.

2636 MS. MORRISON: ATAC had nothing to do with  
2637 Nicaragua, nothing.

2638 MR. MCGOUGH: They certainly appear in the same  
2639 mailgram saying that people at ATAC are proud to participate  
2640 in the campaign to ensure Congressman Barnes' defeat. Just  
2641 looking for a flat-out juxtaposition, it's there. I think  
2642 it certainly provides sufficient foundation to inquire  
2643 further, and the question that is on the record now is  
2644 simply whether Mr. Channell authored this. To my mind it's  
2645 dangerously close to a congressional objection.

2646 MS. MORRISON: If we want to talk about where we  
2647 are going on this issue, I mean if we are going to get into  
2648 issues that have nothing to do with Nicaragua and whether or  
2649 not there was support or there wasn't support, and some  
2650 conversation, organization or human relationship that Mr.  
2651 Channell had, I don't think that is relevant. If you want  
2652 to talk to Mr. Channell about whether he dealt with Colonel  
2653 North in connection with his dealings with him on Nicaragua,  
2654 about Congressman Barnes, that may be one thing.

2655 MR. MCGOUGH: But I think the question on the  
2656 record which you instructed the witness not to answer is,  
2657 did he offer this telegram or this mailgram?

2658 MS. MORRISON: Because I think without reference to

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2659 | this particular mailgram, there are lots of questions that  
2660 | may be askable with respect to Colonel North, with respect  
2661 | to his activities.

2662 |         MR. MCGOUGH: That may well be but it's not other  
2663 | questions we can ask but whether we are entitled to ask this  
2664 | one, and I think we are. I will turn it back to you, Tom.  
2665 | I guess where the record stands now there is a question, did  
2666 | Mr. Channell send or author this mailgram, and there is an  
2667 | instruction, as I understand it, not to answer that  
2668 | question.

2669 |         MS. MORRISON: That's right. The instruction  
2670 | stands.

2671 |         BY MR. FRYMAN:

2672 |         Q Did you understand, Mr. Channell, that Congressman  
2673 | Barnes was one of the leading opponents to aid for the  
2674 | contras?

2675 |         A Yes.

2676 |         Q Had you had disoussions with Colonel North about  
2677 | the defeat of Congressman Barnes in his race for the  
2678 | nomination for the Senate?

2679 |         A No.

2680 |         Q Had you discussed that race with anyone?

2681 |         A Oh, yes.

2682 |         Q Had your organizations or had any of your  
2683 | organizations paid for any television advertisements in

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2684 connection with that race?

2685 . A Yes.

2686 . Q Which organization?

2687 . MS. MORRISON: Again, same objection, has no

2688 relevance to Nicaragua.

2689 . BY MR. FRYMAN:

2690 . Q Did the television advertisements discuss

2691 Congressman Barnes' position with respect to Nicaragua?

2692 . A You are not talking about his election campaign?

2693 Are you talking about his election campaign?

2694 . Q Were there ads that related to Congressman Barnes

2695 that did not involve his election campaign?

2696 . A Yes.

2697 . Q Which ads were those?

2698 . A Sentinel ads, lobbying ads.

2699 . Q And what was the subject of those ads?

2700 . A The piece of legislation before the House during

2701 June on the Nicaraguan aid bill.

2702 . Q And were those television ads that were run in the

2703 Washington media market?

2704 . A Yes, and Maryland.

2705 . Q And was the objective of those ads to cause

2706 Congressman Barnes to change his position on Nicaragua aid?

2707 . A That was the hope.

2708 . Q Did you consider that a realistic hope?

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2709 . A Hope is hope.

2710 . Q Was there also a long-range plan to use those ads  
2711 in preparation for the upcoming election campaign that he  
2712 was going to be involved in?

2713 . A No.

2714 . Q Returning to the election ads that you specifically  
2715 referred to, when did those ads run?

2716 . MS. MORRISON: Irrelevant. Mr. Fryman, you have  
2717 the list when the ads were run if you need to find out.  
2718 They are according to Mr. Channell objectively not related  
2719 to Micaragua. Whether or not he supported a particular  
2720 candidate for a particular office, absent some excess that  
2721 hasn't been shown, it really isn't relevant to these  
2722 proceedings.

2723 . BY MR. FRYMAN:

2724 . Q Mr. Channell, would you look at Exhibit 2?

2725 . A Is that what this one is?

2726 . Q Yes.

2727 . A What do you want me to do with this? Stick it in  
2728 here or do you want it back?

2729 . Q Just put it there. If you would look at an  
2730 analysis II-K in Exhibit 2.

2731 . A There are several pages of K.

2732 . Q If you would look at the first page, you will see a  
2733 reference to several Barnes advertisements. The first one

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2734 is "Barnes: Does he know?" Do you recall that ad?  
2735 . A Generally, yes.  
2736 . Q Was that a lobbying ad or was that an election ad?  
2737 . A This would have been a lobbying ad.  
2738 . MR. FRYMAN: Would you read the last answer back?  
2739 . [The reporter read the record as requested.]  
2740 . BY MR. FRYMAN:  
2741 . Q And the next is identified as "Barnes: Fact  
2742 check." Do you know what that ad was?  
2743 . A Generally.  
2744 . Q And what type was that?  
2745 . A It was a lobbying buying ad also.  
2746 . Q On down there is an identification of an aid,  
2747 "Barnes: Time check." Do you know what that ad was?  
2748 . A Yes. It talked about how much time is left until  
2749 the vote occurs for him to change his mind. I remember  
2750 that, sort of like a clock, have hour left, 15 minutes left.  
2751 . Q And did you consider that a lobbying ad or a  
2752 campaign ad?  
2753 . A Lobbying ad.  
2754 . Q There are also references there to "Barnes:  
2755 Prototypes." Do you know what that refers to?  
2756 . A Yes, from what Adam Goodman said to me, he called  
2757 the type of ad we used or were going to use in several  
2758 districts, he made the Barnes ad and then said if we need to

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2759 use this in another congressional district, we will, and so  
2760 the Barnes copy, original tape, became the prototype for  
2761 potentially others. They didn't need to do it that way, but  
2762 that is why they call it prototypes.

2763 . Q Mr. Channell, did you consider the Barnes race  
2764 significant because of the position that Congressman Barnes  
2765 had taken on contra aid legislation?

2766 . A Significant to what?

2767 . Q Significant to your organization and taking a  
2768 position on defeating Congressman Barnes?

2769 . A Not particularly. The Barnes race was sort of  
2770 popular frankly among our contributors, because he had been  
2771 such an outspoken critic, but very early in the summer it  
2772 was quite clear that he was going to lose the election, that  
2773 he had no momentum, that his strategy was one that--he just  
2774 wasn't going to get anywhere in his election bid, and I  
2775 began to turn my attention to the possibility that the  
2776 Republican candidate might indeed be able to create enough  
2777 strength in Maryland with the right type of support to  
2778 possibly win. I had no idea that Michael Barnes was going  
2779 to be so weak. We found him to be weak very early. The  
2780 polls that I read throughout the state of Maryland  
2781 newspapers found him to be weak very early, and that he  
2782 would not even be a significant factor in the campaign in  
2783 the summer and fall, so when I began to think about

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2784 | political campaigns. I turned my attention to how we might  
2785 | be able to help a Republican win against the opponent whom I  
2786 | was convinced would be Barbara Mikulski, very, very early in  
2787 | the summer.

2788 | . 2 Did you discuss Congressman Barnes with Chris  
2789 | Littledale?

2790 | MS. MORRISON: Objection. The same basis. I hope  
2791 | we are not going to spend a lot more time, Mr. Fryman, on  
2792 | the issue of Mr. Barnes and his political campaign, and who  
2793 | in this earth Mr. Channell may have spoken to about that.  
2794 | You asked and I didn't say a peep whether he discussed that  
2795 | issue with Colonel North. Whether he discussed it with  
2796 | somebody else was a member of his staff and who worked with  
2797 | him on many issues that had nothing to do with Nicaragua,  
2798 | freedom fighter aid, or matters that are before your  
2799 | committee just doesn't seem relevant, unless we are on some  
2800 | mission here that I don't understand.

2801 | MR. FRYMAN: Are you directing the witness not to  
2802 | answer?

2803 | MS. MORRISON: Yes, I am.

2804 | MR. FRYMAN: Would the reporter mark this document  
2805 | as Channell Exhibit 4 for identification.

2806 | [The following document was marked as Channell  
2807 | Deposition Exhibit 4 for identification:]

2808 | BY MR. FRYMAN:

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2809 . Q Mr. Channell, I show you a document that has been  
2810 produced by your counsel which is a page of handwritten  
2811 notes that has your identifying number 37851 on it. The  
2812 marking in yellow as added by the staff of the committee and  
2813 was not on the note as produced. Do you recognize the  
2814 handwriting on that note?

2815 . A Actually I don't.

2816 . Q Is it Mr. Littledale's handwriting?

2817 . A I don't know. It doesn't mean it isn't.

2818 . Q You don't recognize it?

2819 . A I don't recognize it.

2820 . Q At the bottom of the page there is a note that  
2821 begins, "Giddens re CIA, Nicaragua, embassy security," and  
2822 it continues, "Destroy Barnes--use him as object lesson to  
2823 other. R.R. informed on his return." Do you recall any  
2824 discussion with Mr. Littledale to that effect?

2825 . A This sounds like something that someone told him or  
2826 he was writing notes about a phone conversation that he had  
2827 with Gidden or something. It doesn't mean anything to me.

2828 . Q The pending question is, do you recall a discussion  
2829 that you had with Mr. Littledale, where the conversation  
2830 dealt with destroy Barnes, use him as an object lesson?

2831 . A No, I don't know where that came from.

2832 . Q There is a further note at the top that states,  
2833 "Put Barnes out of politics. If we get rid of Barnes, we

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2834 get rid of the ring leader and rid of the problem.' Do you  
2835 recall a discussion to that effect with Mr. Littledale?  
2836 . A I'm sure that that represented my views at one time  
2837 or another on Congressman Barnes. As I said, I determined  
2838 fairly early in the summer that Congressman Barnes was not  
2839 going to make it in the election, that the Democratic Party  
2840 of Maryland was going to take him out of politics.  
2841 . Q There is a further reference there to a 'special  
2842 PAC to do only one thing, to rid Congress of congressmen  
2843 that are trying to undermine the President in his  
2844 antiterrorist policies. Barnes trying to indict Ollie--wants  
2845 to get at R.R.--trying to use'--there is a word I can't  
2846 read--'to elevate his Senate campaign--if we can beat him he  
2847 is out of Congress.' Do you recall any discussion with Mr.  
2848 Littledale about the establishment of a special PAC for  
2849 purposes such as described there?  
2850 . A Well, we established in the spring, late spring of  
2851 '86, the Antiterrorist American Committee, to work on this  
2852 issue, antiterrorism, the President's antiterrorism  
2853 policies. This must have been written, frankly, earlier  
2854 than that possibly, because after we established the PAC,  
2855 there was a name, and so he wouldn't have done that. He  
2856 would have put ATAC, so this obviously is something that is  
2857 conceptual, and prior to our establishment of the PAC in the  
2858 spring, because he is describing something that hasn't

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2859 | happened yet, and we established that I think in April or  
2860 | May, which, as you know, after that, actually in June and  
2861 | then early July, I found out about it in mid July, because I  
2862 | had been gone for three weeks in June and early July. The  
2863 | polling that I read as soon as I came back indicated that  
2864 | Congressman Barnes was going to be rejected by the  
2865 | Democratic Party of Maryland, a tremendous rejection.  
2866 | . Q But election advertisements were still sponsored by  
2867 | one of your organizations against Congressman Barnes, were  
2868 | they not?  
2869 | . A No.  
2870 | . Q They were not?  
2871 | . A No campaign messages against Congressman Barnes.  
2872 | . Q How did ATAC then participate in a campaign to  
2873 | ensure Congressman Barnes' defeat?  
2874 | . MS. MORRISON: We are getting off the Nicaraguan  
2875 | problem again, Mr. Fryman, and that is the danger of this.  
2876 | We could spend an awful lot of time exploring every  
2877 | position, policy and objective that Mr. Channell has pursued  
2878 | over the last couple of years. It is not why we are here.  
2879 | If we could get back to Nicaragua, I think we probably spent  
2880 | the last hour on a couple of documents that are really  
2881 | highly objectionable.  
2882 | . MR. FRYMAN: I think, Mrs. Morrison, that I have  
2883 | explained why I believe these questions are relevant to

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2884 Nicaragua and to the subject matter of the investigation.  
2885 There is no need to repeat that.  
2886 . I have a pending question. I would ask the witness  
2887 to answer it, unless you direct him not to.  
2888 . MS. MORRISON: For my benefit, can I have the  
2889 question read back or repeated?  
2890 . [The reporter read the record as requested.]  
2891 . MS. MORRISON: We are here to help you as much as  
2892 we can with respect to Nicaragua-related issues. We are not  
2893 here to talk about ATAC, which didn't do anything on  
2894 Nicaragua, and we are not here to talk about particular  
2895 campaigns that may have been directed towards particular  
2896 candidates that don't have anything to do with Central  
2897 America.  
2898 . BY MR. FRYMAN:  
2899 . Q Again, Mr. Channell, answer the question unless  
2900 your lawyer directs you not to.  
2901 . MS. MORRISON: He is directed not to.  
2902 . BY MR. FRYMAN:  
2903 . Q Mr. Channell, turning back to Exhibit 1 and the  
2904 letter from Lichenstein & Company dated May 23, 1986, which  
2905 is document 76111, is that a report to you from Mr.  
2906 Lichenstein summarizing his efforts in the lobbying  
2907 campaign?  
2908 . A Exactly. I think you are missing a page.

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2909 . Q In any case, this is at least one page of a report  
2910 from Mr. Lichenstein. I don't have any other pages.  
2911 . A I don't either.  
2912 . Q Turning to the next document, which is a letter to  
2913 Jane McLaughlin from Bruce Hooper dated May 27, and it is  
2914 document 27706, in that letter, Mr. Hooper asked to please  
2915 have Ollie contact me to let me know what he is going to do  
2916 with his contribution, if that is possible. Was this letter  
2917 discussed with you?  
2918 . A No.  
2919 . Q Did you have any involvement in the contribution of  
2920 Mr. Hooper and his meeting with Colonel North?  
2921 . A No.  
2922 . Q Do you know whether there was any discussion  
2923 between Colonel North and Mr. Hooper about his contribution  
2924 and what it was being used for?  
2925 . A No.  
2926 . Q Turning to the next two documents, both dated June  
2927 10, 1986, the first numbered 29099, which is a confirmation  
2928 of consulting arrangement between Spitz Channell and Dan  
2929 Kuykendall, and the second number 34966, concerning a  
2930 monthly budget for the Gulf and Caribbean Foundation. What  
2931 was Mr. Kuykendall retained to do in June of 1986?  
2932 . A He was becoming a general consultant for all of our  
2933 projects. I had appreciated very much his brain power I

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2934 had asked him to help me with everything we were going to do  
2935 in the future, and that is what that was about.

2936 The second letter refers to--I had asked--actually,  
2937 he had asked me if I would consider taking over the Gulf and  
2938 Caribbean Foundation, and I said it would be interesting. I  
2939 would like for him to draw up what their budget was and send  
2940 it to me, and that is what he did.

2941 Q Did you take it over?

2942 A No.

2943 Q Why not?

2944 A I just didn't feel that I had the time or the  
2945 interest, frankly, to work on that.

2946 Q Prior to June of 1986, had Mr. Kuykendall been a  
2947 paid consultant to any of your organizations?

2948 A Through IBC, of course he had worked with NEPL.

2949 Q But he had been a consultant to IBC and not  
2950 directly to your organizations?

2951 A Yes. This would be an agreement between us  
2952 directly.

2953 Q Turning and passing several documents, to the  
2954 document dated August 25, 1986, which is headed "Memorandum  
2955 to David Fischer regarding a draft memorandum for Don  
2956 Regan," it was produced by your counsel, but the  
2957 identification numbers are very faint at the bottom. I  
2958 can't read them.

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2959 . A If you can read them, I want your glasses. We  
2960 don't have an imprint.

2961 . Q You can see the A number at the beginning. First  
2962 of all, on the first page there is some handwriting that  
2963 says, ''And president of Sentinel.'' Do you recognize that  
2964 handwriting?

2965 . A It's mine.

2966 . Q It's your handwriting. So I take it you have seen  
2967 this document before?

2968 . A Yes.

2969 . Q Did you draft this document?

2970 . A I don't think so.

2971 . Q Do you know who did?

2972 . A I don't know whether it would be Rich Miller or  
2973 Dan.

2974 . Q And it was given to you on or around August 25,  
2975 1986?

2976 . A Right.

2977 . Q What was the purpose of preparing this document, if  
2978 you know?

2979 . A All I can think of was that we wanted to give Don  
2980 Regan a summary of our work.

2981 . Q Did you ask that the document be prepared?

2982 . A I'm sure I did.

2983 . Q In the first paragraph you state that ''in January,

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2984 1986, NEPL and Sentinel initiated a \$4.1 million educational  
2985 and lobbying campaign which eventually reached 25 states.''  
2986 . By that sentence, did you understand that you were  
2987 to tell Don Regan that NEPL and Sentinel had spent \$4.1  
2988 million on this campaign?  
2989 . A Say that again. By that sentence?  
2990 . Q By this sentence, the first sentence in this draft  
2991 memorandum, was it your intention to tell Don Regan that  
2992 NEPL and Sentinel had spent \$4.1 million on that educational  
2993 and lobbying campaign?  
2994 . A This was the budget that we had our goal. I wasn't  
2995 sure exactly how much we ended up spending. This was the  
2996 goal.  
2997 . Q What was the source of that number? Was that the--  
2998 . A I don't remember.  
2999 . Q --Central American freedom program memorandum we  
3000 talked about earlier?  
3001 . A There were several things. We had some of the  
3002 bills. We didn't have some of the bills. We were just  
3003 projecting some of the expenditure. I don't remember  
3004 exactly what we referred to to get to that.  
3005 . Q On down in the third paragraph you state that  
3006 ''over \$2.5 million went to the television campaign alone.''  
3007 What is the source of that number?  
3008 . A Again, I'm not sure of that at all. I'm not sure

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3009 | that I would have known those numbers at that time.  
3010 | . Q Who developed these numbers?  
3011 | . A As I said, I don't know whether Rich or Dan Conrad  
3012 | had worked on this. I just truly don't know.  
3013 | . Q What is your understanding today as to how much was  
3014 | spent on the television campaign?  
3015 | . A I don't know. I haven't looked at those numbers  
3016 | for a long time.  
3017 | . Q If you would look at Exhibit 2, and particularly at  
3018 | analysis II-B, the first page of II-B, under the entries  
3019 | "project expenditures," this analysis indicates a total of  
3020 | \$996,842 spent by your organizations in 1986 through the  
3021 | Goodman Agency.  
3022 | . A Why am I not seeing that? Excuse me. Right.  
3023 | . Q Do you have any basis for believing that there were  
3024 | expenditures in addition to that amount for television  
3025 | advertisements?  
3026 | . A In this program they did it all, all of the  
3027 | television. There were a lot more expenditures than  
3028 | television.  
3029 | . Q That's right, but my question at the moment is  
3030 | focusing on the television campaign. To your knowledge, did  
3031 | one of your organizations pay for all of the media buys to  
3032 | run any of the ads prepared by the Goodman Agency for NEPL  
3033 | or ACT?

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3034 . A Oh, did one of our organizations pay for  
3035 everything?

3036 . Q Let me rephrase the question.

3037 . A I'm confused.

3038 . Q Are you aware of any entity paying for air time for  
3039 ads prepared by Goodman for your organization other than one  
3040 of your organizations?

3041 . A No. This must have been a draft or something,  
3042 because there are several figure problems here. It had to  
3043 be a draft because I was writing on it.

3044 . Q In the next paragraph it ~~comes~~<sup>starts</sup> out, '\$75,000 was  
3045 spent by Sentinel,' and then it's written in, '\$75,000,'  
3046 and there is a note out to the side which says, 'add a  
3047 zero.' Is that your handwriting?

3048 . A I think so.

3049 . Q Was it your belief that Sentinel had spent \$75,000?

3050 . A I know it wasn't \$75,000. We knew that. I don't--I  
3051 mean I knew it was not \$75,000.

3052 . Q What made you believe that it was \$750,000?

3053 . A I'm not sure I believed that, but I knew it  
3054 wasn't--I knew it was a lot more than \$75,000, so I thought  
3055 that there was just a zero missing. I didn't question the  
3056 total, but I did say that this was far too small.

3057 . Q So adding the zero does not indicate your belief  
3058 that \$750,000 was the amount that Sentinel spent on this

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3059 campaign?

3060 . A That's correct, but it was much more than--when I  
3061 looked at that, I just said, well, this is just a typo. The  
3062 figure would have been in the hundreds of thousands of  
3063 dollars automatically.

3064 . Q That paragraph also states that the work included  
3065 continuous work with Elliott Abrams?

3066 . A It does.

3067 . Q What was the continuous work with Elliott Abrams  
3068 that your organization undertook?

3069 . A Now, I know I didn't write the memo. I didn't read  
3070 that far. We only met with him twice.

3071 . Q So is that statement incorrect?

3072 . A That would have been incorrect, absolutely. I  
3073 wouldn't have put that in there.

3074 . Q But that is not a statement that you changed?

3075 . A No.

3076 . Q When you reviewed the memorandum?

3077 . A I wouldn't have put it in because we just met with  
3078 him twice at the very beginning of the year.

3079 . Q On the next page, the top paragraph begins,  
3080 '\$600,000 was spent on speaking tours.' Do you know the  
3081 source of that figure?

3082 . A Rich was running the speaking tours, and I would  
3083 have to assume that that is what he said we had spent.

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3084 . Q Do you know if that figure is correct or not?

3085 . A I would think that figure would be high.

3086 . Q Again, the next paragraph talks about \$85,000

3087 devoted to nine Washington briefings. Do you know the

3088 source of that figure?

3089 . A Again, I don't. I would not have--I don't know how

3090 they came to figure that out.

3091 . Q Finally, the memorandum states that "it was

3092 determined that your organizations had carried the program

3093 successfully into 32 of the 51 Democratic districts that

3094 ultimately stood with Ronald Reagan on this issue." Do you

3095 know the source of that statement?

3096 . A That would probably have been Dan Kuykendall, since

3097 I wasn't here the week of the vote or the day of the vote.

3098 He would have probably had to give me that information.

3099 . Q Mr. Channell, turning to a document dated October

3100 1, 1986, which is a document numbered 56302, and it appears

3101 to be an invoice from MEPL to the Channell Corporation

3102 concerning a refund request for overpayment of October rent,

3103 what does that relate to?

3104 . A I have no idea.

3105 . Q What was the practice of sharing overhead expenses

3106 among the various organizations that you had?

3107 . A The accountants had worked out a proportion of

3108 space for each organization, and from what I understand was

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3109 | the policy was to contribute a certain amount to general  
3110 | rent. That is what they were supposed to do.

3111 |       Q   And you do not know what this refund request for  
3112 | the overpayment concerns?

3113 |       A   I have never seen this before, and I'm reading like  
3114 | you are. Evidently, one of the accountants had made a wrong  
3115 | check out or something. I truly don't know.

3116 |       Q   If you would look again at Exhibit 2, Mr. Channell,  
3117 | and this time analysis II-E, it's headed "Intergroup  
3118 | Transfers." there is an indication on that schedule of a  
3119 | series of transfers from NEPL to Sentinel in March of 1986,  
3120 | transfer for \$30,000 on March 7, for \$18,000 on March 14,  
3121 | for \$19,997 on March 24, for \$10,000 on March 25, for  
3122 | \$25,000 on March 26, and for another \$20,000 on March 28.  
3123 | Were you aware that NEPL was making transfers in amounts of  
3124 | that magnitude in March of 1986?

3125 |       A   No.

3126 |       Q   To Sentinel?

3127 |       A   No.

3128 |       Q   Is this the first time you learned of that?

3129 |       A   I knew of one transfer which actually was a  
3130 | mistake, but that's all.

3131 |       Q   You had no explanation for the series of transfers  
3132 | that are reflected on that schedule?

3133 |       A   No. I would have to--it may be a legitimate

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3134 transfer, but you would have to talk to my accountants about  
3135 why that was done. I just can't help you on that. Again, I  
3136 will reiterate that my role was not hired and paid. Was  
3137 paying professional fees to people who referred to me as  
3138 professional CPAs to run these organizations financially,  
3139 and we were paying them I thought substantial salaries for  
3140 substantial competence.

3141 . Q Apart from that, my question is, were you aware  
3142 that MEPL was making substantial transfers to Sentinel in  
3143 March of 1986?

3144 . A No.

3145 . Q And the answer is no?

3146 . A That's right.

3147 . Q And you had not been aware of that until today?

3148 . A As I said, I knew that, late last year we  
3149 discovered that there was one that was accidental, a check  
3150 that had been placed incorrectly, but I was not aware of  
3151 that, no.

3152 . Q Turning, Mr. Channell, to the next document, which  
3153 is an invoice from IBC dated October 8, and the document  
3154 number is 27899, is this an example of the type of bill you  
3155 would receive from IBC for Mr. Fischer's services?

3156 . A Yes.

3157 . Q And then you would pay IBC and IBC would pay Mr.  
3158 Fischer, is that correct?

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3159 . A Formally.

3160 . Q Formally. Now, turning to the next document, it's  
3161 a handwritten statement from Eric Olsen, dated October 8,  
3162 1986, and it's document number 57158, for consulting  
3163 services rendered during October, 1986, for \$10,000. There  
3164 are others of these statements in Exhibit 1, particularly  
3165 there is a statement dated November 3, 1986, for \$7500,  
3166 which is 57159, document No. 57159. There is a statement  
3167 dated December 19, 1986, for \$10,000 which is document  
3168 57160. There is a statement dated January 5, 1987, for  
3169 \$10,000, which is document 57161, and there is a statement  
3170 dated February 18, 1987, for \$5,000, which is document No.  
3171 57162. The statements are all similar in form. They are  
3172 all handwritten, and they all refer to consulting services  
3173 rendered during a particular month.

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3174 RPTS MAZUR

3175 DCMN DONOCK

3176 3:30 p.m.

3177 . Q The statements total \$42,500. Now, my question or  
3178 my first question is, what was the nature of services that  
3179 Mr. Olson was performing for MEPL that are reflected by  
3180 these statements?

3181 . MS. MORRISON: I think it is fair to say, Mr.  
3182 Fryman, just so we can move through this very quickly, that  
3183 those have absolutely nothing to do with Nicaragua. Mr.  
3184 Olson is an accountant. These were not matters that had  
3185 anything to do directly or even tangentially with the  
3186 Nicaraguan-related activities of Mr. Channell's  
3187 organizations. In fact, they were not substantive in terms  
3188 of the nature of the work that was done.

3189 . MR. FRYMAN: Mr. Channell, unless your counsel is  
3190 directing you not to answer, you may proceed.

3191 . MS. MORRISON: His counsel was hoping to head off  
3192 the question by telling you it wasn't relevant. If I have  
3193 to, I guess I will direct him not to respond.

3194 . MR. FRYMAN: Well, Mrs. Morrison, I think the  
3195 question of the overhead of Mr. Channell's organizations is  
3196 a relevant issue to this investigation, and I would press  
3197 the question.

3198 . MS. MORRISON: The manner of administration of Mr.

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3199 Channell's organizations, particular on a broad base where  
3200 we are talking about a number of organizations, arguable the  
3201 majority of which didn't have anything to do with his  
3202 Nicaraguan-related activities, are not related in my view,  
3203 and I would continue my direction not to answer the  
3204 question.

3205 . MR. BUCK: Is this expenditure of funds that was  
3206 sought? In other words, is the money that is paid there to  
3207 Olson money received from Mrs. Garwood for contra-related  
3208 activities--did it come out of the same funds?

3209 . MS. MORRISON: I don't know that that answer is  
3210 knowable. Are you saying did she make a grant so that those  
3211 payments could be made? The answer is no. This would fit  
3212 more properly into more general overhead.

3213 . MR. BUCK: I am wondering where the funds were  
3214 received from that made the general overhead. Weren't they  
3215 grants from your contributors, donations from your  
3216 contributors?

3217 . MS. MORRISON: I am not sure I am following the  
3218 question as it relates to these statements.

3219 . MR. BUCK: Where did the money come from that he  
3220 used to pay his overhead?

3221 . MS. MORRISON: Overhead is paid from the body of  
3222 contributing money.

3223 . MR. BUCK: And the money was contributed for the

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3224 | contra cause, for the freedom fighters.

3225 |           MS. MORRISON: Not necessarily. Each of these  
3226 | organizations had many--more than one saleable program.

3227 |           MR. FRYMAN: Well, Mrs. Morrison, are you continuing  
3228 | in your position that you are directing him not to answer  
3229 | that question?

3230 |           MS. MORRISON: Unless I can be made to see what the  
3231 | relevance of the question is to Latin American issues,  
3232 | freedom fighter aid--his dealings with the White House, the  
3233 | fact that he didn't get any money from Iran, something that  
3234 | is relevant to this committee's mission, the direction will  
3235 | continue.

3236 |           MR. FRYMAN: Well, as I say, I think the general  
3237 | issue of the overhead of Mr. Channell's organizations is  
3238 | relevant to this investigation. Indeed, Mr. Channell has  
3239 | publicly stated that the overhead was relatively low, that  
3240 | the amounts of money raised from his contributors were in  
3241 | comparison with other fund-raising organizations passed on  
3242 | to the intended beneficiaries at a higher rate, and I think  
3243 | this is an appropriate area of inquiry, to determine what  
3244 | was done with substantial amounts of money that were raised  
3245 | from contributors such as Ellen Garwood and Barbara  
3246 | Newington.

3247 |           I will have a series of questions with regard to the  
3248 | overhead and questions about fees to Mr. Olson or just one

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3249 | part of this, so--I have a series of questions to ask. I  
3250 | don't expect this will be a lengthy series of questions, but  
3251 | the issue at the moment is, are you directing him not to  
3252 | answer this?

3253 |         MS. MORRISON: Well, again, the fact that Mr.  
3254 | Channell has publicly taken credit for managing his  
3255 | organizations well or for having organizations that were  
3256 | well-managed and that did, comparatively speaking, to other  
3257 | similar organizations a very good job at getting the  
3258 | contributors' dollars where they belong, doesn't make that  
3259 | issue relevant to this committee's mission.

3260 |         How well he ran these organizations, it seems to me,  
3261 | is not related to whether or not there are broad policy  
3262 | questions of interest to the Congress with respect to  
3263 | foreign relations and the--the pursuit of the programs,  
3264 | either in Iran or in Nicaragua, that this committee was  
3265 | formed to pursue.

3266 |         MR. BUCK: I disagree with you. I think the central  
3267 | question that we are looking at in this committee is the  
3268 | privatization of foreign policy, and I think any  
3269 | inefficiencies that are involved with the privatization of  
3270 | foreign policy needs to be examined, and I think that  
3271 | examining overhead of an organization is directly related to  
3272 | that question.

3273 |         MS. MORRISON: But privatization of foreign policy

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3274 has to do with government activities. Mr. Channell was not  
 3275 a government agency. He was not using government funds,  
 3276 whether he managed his organizations well or not, although  
 3277 we certainly contend he did a good job at it, but it  
 3278 nevertheless seems to me it takes us far afield of whether  
 3279 or not there was privatization of foreign policy, which is a  
 3280 question of how this Administration and not private  
 3281 individuals like Mr. Channell privatized foreign policy.  
 3282 . How he ran his organizations is simply a matter for  
 3283 another day and another--mandate.

3284 . MR. McGOUGH: Could we--let me make a suggestion to  
 3285 diffuse this. Can we take a brief break here and maybe if  
 3286 counsel could talk off the record, I would like to talk  
 3287 about one aspect of this. Maybe we can clear it up.

3288 . MS. MORRISON: I am always willing to talk, because  
 3289 as I said, we are here to cooperate. I just don't want to  
 3290 go into areas that don't produce anything for you--

3291 . MR. McGOUGH: Okay, let's do that, and then let's  
 3292 talk. Okay? Take a five-minute break. Is that acceptable?

3293 . MR. FRYMAN: Yeah, fine.

3294 . [Recess.]

3295 . MR. FRYMAN: Okay. Back on the record.

3296 . BY MR. FRYMAN:

3297 . Q Mr. Channell, the letterhead on these invoices from  
 3298 Mr. Olson is [REDACTED] Do you also live

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3299 | at that address?

3300 | MS. MORRISON: Direct him not to answer.

3301 | Irrelevant.

3302 | BY MR. FRYMAN:

3303 | Q Do you, or have you for a period of time either

3304 | owned an apartment together with Mr. Olson or shared an

3305 | apartment with Mr. Olson?

3306 | MS. MORRISON: Same direction, same objection.

3307 | BY MR. FRYMAN:

3308 | Q During the period October 1986 through February

3309 | 1987, to your knowledge, was Mr. Olson employed full-time by

3310 | a professional organization?

3311 | MS. MORRISON: Same objection, same direction.

3312 | BY MR. FRYMAN:

3313 | Q Were the services that Mr. Olson performed for NEPL

3314 | performed in his capability as an employee of a professional

3315 | organization, or were they performed in an individual

3316 | capacity?

3317 | MS. MORRISON: Same objection and direction.

3318 | BY MR. FRYMAN:

3319 | Q What was the basis for establishing the fee set

3320 | forth in the statements from Mr. Olson that have been

3321 | identified?

3322 | MS. MORRISON: Same objection and direction.

3323 | BY MR. FRYMAN:

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3324 . Q How many hours did Mr. Olson devote to the work for  
3325 your organization for which he was paid \$42,500?

3326 . MS. MORRISON: Same objection and direction.

3327 . BY MR. FRYMAN:

3328 . Q Do you know how much per hour your organization was  
3329 paying for Mr. Olson's services?

3330 . MS. MORRISON: Same objection and direction.

3331 . MR. OLIVER: May I ask one question?

3332 . BY MR. OLIVER:

3333 . Q If you would turn to the financial analysis, page  
3334 2(c) of Exhibit 2, on the column on the left, about halfway  
3335 down, there is your name, and opposite that, a contribution  
3336 of \$5,000 to the American Conservative Trust. Below that is  
3337 the name Olson, and a contribution of \$5,000 to the American  
3338 Conservative Trust. That contribution is from Mr. Eric  
3339 Olson?

3340 . A Can I answer that?

3341 . MS. MORRISON: Um-hum.

3342 . THE WITNESS: Yes.

3343 . BY MR. OLIVER:

3344 . Q Did you ask Mr. Olson to contribute \$5,000 to the  
3345 American Conservative Trust?

3346 . A Yes.

3347 . Q Did you reimburse him for that contribution at a  
3348 later time?

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3349 . A No.

3350 . Q What was your purpose of asking Mr. Olson to make

3351 that contribution?

3352 . A I wanted to raise some money for the American

3353 Conservative Trust.

3354 . Q Mr. Olson was an employee of your organization at

3355 the time you asked him to make that contribution?

3356 . MS. MORRISON: He--

3357 . THE WITNESS: I don't know what time that was made.

3358 . MS. MORRISON: The witness just answered the

3359 question. He said he doesn't know at what point that

3360 contribution was made, so he can't answer the question any

3361 more than that.

3362 . BY MR. OLIVER:

3363 . Q Do you remember the purpose? Was there a particular

3364 purpose for you and Mr. Olson making contributions to the

3365 American Conservative Trust?

3366 . A Yes.

3367 . Q What was that purpose?

3368 . A I was hoping to raise more money for the American

3369 Conservative Trust.

3370 . Q You were the principal in the American Conservative

3371 Trust; is that correct?

3372 . A That is right.

3373 . Q Did you make any other personal contributions to the

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3374 American Conservative Trust?

3375 . A I couldn't.

3376 . Q Why not?

3377 . A It is the limit.

3378 . Q \$5,000 is the limit?

3379 . A Sure. I might--

3380 . MS. MORRISON: That is okay.

3381 . BY MR. OLIVER:

3382 . Q Considering the fact that you raised the literally  
3383 millions of dollars from a variety of sources, why were you  
3384 contributing yourself to this organization?

3385 . MS. MORRISON: Objection and direction not to  
3386 answer. We are moving very far afield here. He told you  
3387 why. He wanted to increase the coffers of the American  
3388 Conservative Trust. We are now getting into a debate that  
3389 has nothing to do with the issues at hand. Should we go  
3390 back to him?

3391 . MR. OLIVER: One more question.

3392 . BY MR. OLIVER:

3393 . Q Was this contribution made at a time when you were  
3394 trying to meet a deadline for the American Conservative  
3395 Trust for television ads?

3396 . A I really have no idea. As you well know--

3397 . MS. MORRISON: That is it. You have no idea.

3398 . MR. OLIVER: Thank you.

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3399 . BY MR. FRYMAN:

3400 4. Q Mr. Channell, turning to document dated October 15,

3401 1986.

3402 . A Right.

3403 . Q Which is your identification number 28645 through

3404 28648, and it is a letter to Mr. Conrad from Mofziger and

3405 Bragg, or Mofziger Communications, Inc. I am not sure which

3406 it is from. This document is a consulting agreement that

3407 the Channell Corporation accepted with Mofziger

3408 Communications, is it not?

3409 . A That is correct.

3410 . Q Whose idea was it to enter into this agreement?

3411 . A Mine.

3412 . Q Was this something you ever discussed with Oliver

3413 North?

3414 . A No.

3415 . Q What was the reason you wanted to retain Mr.

3416 Mofziger?

3417 . A I had had several very good meetings with him in the

3418 past where he--who retains tremendous amount of political

3419 knowledge and wonderful contacts in Washington, impressed me

3420 greatly with his political intelligence, and we were moving

3421 away from an issue that I had been really proud to work

3422 with, Nicaragua. We were going to be working with SDI in

3423 the future.

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3424 . We were going to branch out and do a project on the  
3425 Constitution of the United States. We were going to be  
3426 working on several other big issues in the future. We were  
3427 hoping to--excuse me--talk to him about helping us create  
3428 contacts in the Washington community with these new issues  
3429 in mind, and that is what I told him I wanted to do, and I  
3430 also wanted, because the election was a year and a half away  
3431 or whatever, to learn what I could from him about his  
3432 political expertise.

3433 . I wanted to be able to come to him and say this was  
3434 in the paper or this is happening to this candidate and this  
3435 is happening. Let's talk about this. Why is this  
3436 happening? I was hoping he could give me some literal  
3437 political education. And--what I was going to also do was  
3438 have my staff come over from time to time and have him run  
3439 seminars for them to help increase their political awareness  
3440 and understanding of the political process in Washington.

3441 . Q And for this, you were going to pay him \$20,000 a  
3442 month?

3443 . A That is correct.

3444 . Q What was the reason that this agreement was with  
3445 Channell Corporation instead of one of your other  
3446 organizations?

3447 . MS. MORRISON: Objection. He has answered why he  
3448 got in touch on issues that are totally unrelated to Central

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3449 America and Nicaragua--and I think has definitively  
3450 demonstrated that he was engaged in this relationship as a  
3451 result of the fact that he was moving away from Nicaraguan  
3452 issues--I think is the way he characterized it. Having thus  
3453 demonstrated to why it is not relevant to why we were here,  
3454 I don't see how your question about the reason for the  
3455 contractual relationship with Channell Corporation, which  
3456 also didn't have anything to do with Nicaragua, can be  
3457 relevant to why we are here.

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3458 RPTS CANTOR

3459 DCMN PARKER

3460 . MR. FRYMAN: Are you directing him not to answer?

3461 . MS. MORRISON: I am.

3462 . BY MR. FRYMAN:

3463 . Q Mr. Channel, the National Endowment for the

3464 Preservation of Liberty had had a number of consulting

3465 arrangements with other individuals or organizations during

3466 1985 and 1986, had it not?

3467 . A That is right.

3468 . Q And the National Endowment for the Preservation of

3469 Liberty was not an organization limited to Nicaragua, was

3470 it?

3471 . A That is true, of course.

3472 . Q I remember now my question. What was the reason

3473 that the consulting agreement with Mr. ~~Morrison~~<sup>HOFZIGER</sup>, with

3474 Channel Corporation instead of one of your other

3475 organizations, which had been the pattern for other

3476 consulting arrangements?

3477 . MS. MORRISON: Same direction. I don't think the

3478 intervening question has made it more relevant. If

3479 anything, it may have made it less relevant.

3480 . MR. FRYMAN: And I take it not only the same

3481 objection, but the same direction; is that correct?

3482 . MS. MORRISON: Yes.

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3483 . BY MR. FRYMAN:

3484 . Q If you would turn, Mr. Channell to Document 35276,  
3485 it has the printed material, 'Safe Deposit Boxes,' on the  
3486 sheet, and it has typed or printed by computer, 'Suburban  
3487 Bank,' and it indicates amount due, 621034. do you know  
3488 what this document is?

3489 . MS. MORRISON: Objection and direction. It doesn't  
3490 appear to have, nor do I know it to have any relevance to  
3491 the issues before us.

3492 . MR. FRYMAN: I really don't care what you know or  
3493 don't know, Mrs. Morrison. What I am interested in--

3494 . MS. MORRISON: I was inviting you to educate me, I  
3495 guess.

3496 . MR. FRYMAN: I don't know what this involves  
3497 either. That is my question.

3498 . BY MR. FRYMAN:

3499 . Q Does this indicate that Channell Corporation had an  
3500 account at the Suburban Bank in February of 1986? If so,  
3501 those documents have not been produced pursuant to subpoena.  
3502 Does this indicate that you had a deposit box at this bank,  
3503 or does it indicate you had a note at this bank? My  
3504 question is what is this document?

3505 . MS. MORRISON: Let me respond by assuring you that  
3506 you have all relevant documents that were called for by our  
3507 subpoenas. Indeed I would recall that you earlier were

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3508 explaining that maybe you got some that weren't relevant,  
3509 but in any event, you have the relevant documents, and the  
3510 question deals with an entity and a subject matter that have  
3511 no arguable relevance to the mandate here.

3512 . MR. FRYMAN: I don't think that is your judgment to  
3513 make, Mrs. Morrison.

3514 . BY MR. FRYMAN:

3515 . Q The question is to you Mr. Channell. What sort of  
3516 bank record is this, and does it relate to an account that  
3517 you have at the Suburban Bank or that the Channell  
3518 Corporation has at the Suburban Bank? Does it relate to a  
3519 safe deposit box or does it relate to something else?

3520 . MS. MORRISON: May I consult with my client?

3521 . MR. FRYMAN: Sure.

3522 . [Discussion held off the record.]

3523 . MS. MORRISON: Having consulted with the witness,  
3524 Mr. Fryman, I would really renew my objection and direction.

3525 . BY MR. FRYMAN:

3526 . Q Mr. Channell, if you would look at Deposition  
3527 Exhibit 2 for identification, and particularly Analysis II,  
3528 which is headed, "Intergroup Transfers," you will note  
3529 that there is a transfer indicated on that schedule of  
3530 \$20,000 from MEPL to the Channell Corporation on November 3,  
3531 1986, which is the same date that is indicated as the due  
3532 date on the Suburban Bank document which is 35276 of Exhibit

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3533 1.

3534 . Is there any relationship between that transfer

3535 from NEPL to the Channel Corporation and the Suburban Bank

3536 document that I have identified?

3537 . MS. MORRISON: When you say due date--

3538 . THE WITNESS: I am lost.

3539 . MS. MORRISON: You have lost, I think, both of us.

3540 . MR. FRYMAN: At the top it states, "'Date due

3541 November 3, 1986," which is what I am referring to.

3542 . THE WITNESS: \$621.

3543 . BY MR. FRYMAN:

3544 . Q Yes. It is a \$20,000 transfer.

3545 . A Oh, no.

3546 . Q My question is, is the transfer on November 3 of

3547 \$20,000 reflected on Analysis II-E of Exhibit 2 related in

3548 any way to the bank document which is Document 35276 in

3549 Exhibit 1?

3550 . A To the best of my knowledge it is not.

3551 . Q Turning ahead in Exhibit 1 to the December 23, 1986

3552 letter to you from Melva Croghan of the Robert Goodman

3553 Agency, which is Document 33234<sup>5</sup> and an enclosure with that

3554 letter, which is Document 33234, the letter indicates that

3555 an amount is due from the American Conservative Trust, and

3556 an amount is payable to the National Indowment for the

3557 Preservation of Liberty.

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3558 . What do these items relate to, and what was the  
3559 origin of this letter?

3560 . A This was a mistake.

3561 . Q By whom?

3562 . A By the lady over there. She had mislabeled our  
3563 files, and this is irrelevant, and you have to sit down with  
3564 our accountants so they could tell you how Goodman screwed  
3565 up in this way. They discovered that they had screwed up;  
3566 that they had mislabeled our files, and this was wrong.

3567 . Q So it is your understanding that there was not an  
3568 amount due?

3569 . A Right.

3570 . Q From the American Conservative Trust?

3571 . A Right.

3572 . Q And an amount that they owed the National  
3573 Endowment.

3574 . A They had mislabeled our files.

3575 . A We owed them, I think, at the end of the year two  
3576 or three thousand dollars or something like that for a bill  
3577 that we had never received, but which we had owed, but this  
3578 was nuts, and they did an analysis, I think, beginning in  
3579 January or something and realized that they were using wrong  
3580 files to do the work.

3581 . Q So is it your understanding that the Goodman Agency  
3582 is in agreement at this point that the statements in this

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3583 letter are in error?

3584 . A That is correct.

3585 . Q Turning to a page which has a date at the top,

3586 January 5, 1987, and it has the number, 33117, at the

3587 bottom, do you know who prepared this page?

3588 . A No.

3589 . Q Do you recall having seen this page before?

3590 . A No. I have no idea.

3591 . Q Turning to the next document, which begins 33137,

3592 and continues through 33140, and it is headed, "Public

3593 Affairs Strategy for Spitz Channel and NEPL."

3594 . A Yes.

3595 . Q Do you know who drafted this document?

3596 . A I do.

3597 . Q Who was that?

3598 . A Rich Miller and his staff.

3599 . Q Do you know who assisted him in this?

3600 . A No. I just know that he told me that he and the

3601 staff put this together.

3602 . Q It says in the third and <sup>U</sup>fourth lines that this was

3603 prepared, "with consultation from several of your senior

3604 consultants." Do you know who those senior consultants

3605 were?

3606 . A Consultants were consultants. I don't have a

3607 hierarchy of consultants.

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3608 . Q But I mean do you know who the consultants were  
3609 that he--  
3610 . A I just assume--I said that he and the staff had put  
3611 this together, and I think he probably--it says Kuy <sup>X</sup>endall  
3612 here.  
3613 . Q Is this your handwriting on these pages?  
3614 . A The top, I'm sure is. I assume the rest of it.  
3615 . Q What is the handwriting on the first page? "This  
3616 is a political struggle," and under that?  
3617 . A "Army weapons strategy action." When they were  
3618 talking to me, they said, "You need to think of this in  
3619 these military terms," and I wrote that down.  
3620 . Q And on the last page by the typewritten word--I'm  
3621 sorry. Not the last page, but page Number 33139--by the  
3622 typewritten word, "Antagonists," what is that word?  
3623 . A I think it is more question mark above antagonists.  
3624 . Q And down by "unreasonable," what is that word?  
3625 . A "Leaky," but that's not it.  
3626 . Q Is that L-E-N-A-Y?  
3627 . A I can't tell by my--what would that be?  
3628 . Q Would it be a name indicating Lehay?  
3629 . A Lehay? That doesn't ring a bell with me.  
3630 . Q You don't recall at this point.  
3631 . A No. It is my writing, though.  
3632 . Q Turning in Exhibit 1 to the document dated January

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3633 13, 1987, which begins with Number 33094, and goes at least  
3634 through 33096, do you know who prepared this document?  
3635 . A I don't know. I assume it was our office, our  
3636 accountants.  
3637 . Q Have you seen this before?  
3638 . A No.  
3639 . Q Is this something, then, you are not familiar with.  
3640 I take it?  
3641 . A Right.  
3642 . Q Do you recall requesting something of this sort  
3643 before?  
3644 . A Yes. This was part of the process of getting  
3645 Goodman's figures correct.  
3646 . Q Was this prompted by the earlier letter?  
3647 . A Yes.  
3648 . Q From Goodman?  
3649 . A Yes.  
3650 . Q That we have looked at?  
3651 . A Yes. We engaged working with them, I think, for  
3652 six weeks or two months, to figure out what in heaven's name  
3653 they had done. They ended up having not done anything wrong.  
3654 They just mislabeled all of our accounts.  
3655 . Q And would you turn to the document dated January  
3656 15, 1987, which is a letter to you from Colleen Vickers, and  
3657 it is Number 60792. Is that another letter in this series

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3658 of exchanges?

3659 . A It would have been by then.

3660 . Q And the ultimate result of these exchanges you have

3661 testified is that the Goodman Agency concluded that there

3662 had not been any error in the billings?

3663 . A That's right. They had just mislabeled our files,

3664 and worked with the wrong figures, with the wrong file for

3665 ages before we discovered it.

3666 . Q Turning to the statement dated February 2, 1987,

3667 from Richard R. Miller to you, which is Document 60855,

3668 there is a reference to Central American Freedom Program,

3669 Roman 2 research for \$12,000. What was that?

3670 . A He was going to help us generate a new program to

3671 support the new aid bill effort.

3672 . Q This was an effort in 1987 that you were planning?

3673 . A Beginning in 1987.

3674 . Q Turning to Document 26951 through 20953, which are

3675 notes beginning on the first page, "UNO talking points--

3676 and then the second page, "Green briefing," have you seen

3677 these documents before?

3678 . A This phrase is very familiar, "talking points."

3679 . Q Do you know who prepared these documents?

3680 . A I think Rich Miller's office did.

3681 . Q And turning to the second page, to the Green

3682 briefing, do you know what that was prepared for?

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3683 . A That was also created by Rich Miller's office. No.  
3684 unless this is something for Colonel North to say. It is an  
3685 outline of what has happened since the vote.  
3686 . Q How do you know that Miller's office prepared this?  
3687 . A Because this type, for some reason, I can tell was  
3688 his type, and then some of the phrases that I have seen are  
3689 some of his phrases. That may not be conclusive, but I  
3690 think that is it.  
3691 . Q Turning to the next document, which is 27087, a  
3692 letter on International Business Communications stationery  
3693 to Dan from Steve, do you know what that letter concerns?  
3694 . A This Steve is--I can't remember his last name. He  
3695 works for Rich Miller as a political specialists, and  
3696 sometime last year he put together a list of the open seats  
3697 in the House.  
3698 . Q Is that Steve Schwartz?  
3699 . A Schwartz, that is his name.  
3700 . Q Do you know why he was sending a list of open seats  
3701 in the House to Dan?  
3702 . A We were putting together for Sentinel a whole  
3703 political packet--who was safe, what open seats were  
3704 occurring, who was undecided, all that type of thing, for  
3705 me.  
3706 . Q At what time were you doing this work?  
3707 . A This would have been probably late spring when we

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3708 began to look at what the races were going to be like.  
3709 . Q Late spring of 1986.  
3710 . A Yes, June or July, something like that. You won't  
3711 do something like this very early, because there is a lot of  
3712 time to go before elections really get going, and there  
3713 might be many changes.  
3714 . Q Was this provided to you after the Nicaraguan aid  
3715 vote?  
3716 . A Oh, it would have been later than that, definitely.  
3717 It is too early in the year.  
3718 . Q Turning to Document 36089, which follows the  
3719 Central American Freedom Program memo that we have already  
3720 discussed--  
3721 . A Right.  
3722 . Q Do you recognize that document?  
3723 . A This is part of a draft, a description of what we  
3724 do.  
3725 . Q Who prepared this draft?  
3726 . A I have no idea.  
3727 . Q Was it done at your request?  
3728 . A I don't think so. Some of the aspects of this are  
3729 very inaccurate.  
3730 . Q What is the approximate date of this? Was this in  
3731 1985?  
3732 . A This would have been only 1985.

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3733 . Q Was this sheet ever distributed to anyone?

3734 . A I don't think so. It is a description for people

3735 of what the ACT did, but I have no idea.

3736 . Q Do you recall seeing this before?

3737 . A No.

3738 . Q Turning to the page headed, "Nicaragua effort

3739 targeted congressional representatives," which is page  
 7 through 81638.

3740 81638. Do you recall seeing these pages before?

3741 . A No.

3742 . Q Do you know who prepared these pages?

3743 . A I don't. This is to my knowledge somebody else's

3744 activities.

3745 . Q Mr. Channel, looking again at Exhibit 2, which are

3746 the accounting schedules prepared from your materials by

3747 accountants for the House and the Senate committees, on the

3748 first page, which is Analysis 2-A. There is a category

3749 called, "project expenditures," and under that there is a

3750 group identified as, "other," which has expenditures

3751 totaling \$238,693.

3752 . Do you know what is included in that group of other

3753 expenditures?

3754 . MS. MORRISON: We understand that he didn't prepare

3755 this.

3756 . MR. FRYMAN: I am asking if he--

3757 . THE WITNESS: I have no idea.

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3758 . MR. FRYMAN: If he knows.

3759 . THE WITNESS: No. It could be a million different  
3760 things.

3761 . BY MR. FRYMAN:

3762 . Q The next heading is "Consulting and Public  
3763 Relations," and under that there is, again, an other  
3764 category, which totals \$74,366, and that is consulting and  
3765 public relations in 1985. other than PMI and Dan Conrad.

3766 . Do you know what that relates to?

3767 . A I am sorry, I don't. I just don't know how they  
3768 have done this.

3769 . Q And on this page I have one other question. At the  
3770 bottom of the page in the heading, "ACT State Election  
3771 Fund," there is an "other," total of \$155,530. Do you  
3772 know what that group of expenditures includes?

3773 . A No.

3774 . Q Turning to the second page, Analysis II-B, there is  
3775 an indication of a project expenditure to Blackwell. Do you  
3776 know what that is?

3777 . A Yes, that is the name of a company who did some  
3778 work for us on--I forget whether it was studies or polls  
3779 preparing for the constitution project.

3780 . Q That had nothing to do with the Nicaragua Program?

3781 . A No.

3782 . Q There is also an entry there by the name, Blackmore

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3783 and Kiewlon. Do you know what that refers to?

3784 . A Yes. They are advertising and polling and survey  
3785 agency in New York, and we worked with them on--it had  
3786 nothing to do with Micaragua. It was in the summer and fall  
3787 of 1986, and we worked--we had some ads done for the tax  
3788 debate they had here, which didn't go. And then we did  
3789 something else for them on the constitution.

3790 . I am not sure--that didn't go either because we  
3791 didn't get to do our program this year, but we had started  
3792 either in the late summer or the fall, Blackmore and  
3793 Kiewlon.

3794 . Q Were they involved in the ads for the 1986  
3795 congressional campaigns?

3796 . A They did, I think, an ad, one ad.

3797 . Q Do you know which campaign?

3798 . A I don't.

3799 . Q What is your understanding of the correct spelling  
3800 of the name of that company?

3801 . A That this is wrong.

3802 . Q What is correct?

3803 . A I am not sure I can tell you that. It is Blakemore,  
3804 and I think it is Kilo. This just isn't correct.

3805 . Q Are they based in New York?

3806 . A Yes, they are.

3807 . Q Turning to the second page of Analysis II-B, there

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3808 is an entry on the third line for, ''performance  
3809 consulting.'' Do you know what that entry relates to?  
3810 . A Are we together here? All right. No, I don't know  
3811 why they call it that. That might be a firm that Dan Conrad  
3812 was using for something or other. I don't know.  
3813 . Q That page of Analysis II-B indicates that in 1986  
3814 you received consulting fees from the various companies  
3815 totaling \$52,900. Is that consistent with your recollection  
3816 of consulting fees that you retained?  
3817 . A That is salary.  
3818 . Q Did you receive consulting fees in addition to  
3819 salary?  
3820 . A No, just salary.  
3821 . Q What is your recollection of the total income that  
3822 you received from MEPL and your other organizations in 1986.  
3823 . A I don't know exactly what it was.  
3824 . Q Was it over \$200,000?  
3825 . A I don't think so. All together I don't think so.  
3826 . Q Over \$175,000?  
3827 . A I thought it was like 155 or 165.  
3828 . Q Turn to the last page, which is Analysis II-M.  
3829 That is an analysis of MEPL's salaries, and it indicates  
3830 gross wages to you of \$161,022.  
3831 . A That would be correct.  
3832 . Q Is that consistent?

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3833 . A Close to correct, yes.

3834 . Q But is it your recollection that you did not  
3835 receive consulting fees in addition to that salary?

3836 . A That would be correct. I pay taxes on salary.

3837 . Q What is Ram Films?

3838 . A They are a little--it is like a tiny Bob Goodwin  
3839 firm in Maryland.

3840 . Q Analysis II-B indicates that they were paid \$29,000  
3841 by ACT Federal Election Fund in 1986. Do you know what that  
3842 was for?

3843 . A That was for our Maryland commercial independent  
3844 expenditure commercial.

3845 . Q What was that?

3846 . A That was the independent expenditure commercial on  
3847 the Maryland Senate race.

3848 . Q That was the Barnes campaign commercial?

3849 . A No. There was never a Barnes campaign commercial.  
3850 There were many people running for Senate in the primary in  
3851 1986 in Maryland. We ran an independent ad talking about  
3852 Linda Chavez and Senator McCulsky.

3853 . Q Was that paid to Ram Films for production costs for  
3854 the film?

3855 . A Oh, I am sure that would have been also for  
3856 distribution.

3857 . Q And for purchasing air time?

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3858 . A Yes.

3859 . MR. OLIVER: May I ask a question relating to

3860 that?

3861 . BY MR. OLIVER:

3862 . Q You ran this independent expenditure on behalf of

3863 Linda Chavez; is that correct?

3864 . MS. MORRISON: I am going to object and direct him

3865 not to answer. We, again, are in politics, candidates, and

3866 far afield from Nicaragua and Central America.

3867 . BY MR. FRYMAN:

3868 . Q In the 1986 public education and lobbying campaign

3869 on behalf of the legislation providing aid to the Nicaraguan

3870 resistance, are you aware of any assistance that was

3871 provided by employees of the State Department to this

3872 lobbying effort?

3873 . A Well, Elliott Abrams met with me twice. I assume

3874 you would assume he was an employee of the State Department.

3875 And we had a briefing in May of 1985. That was 1985.

3876 . Q I am not talking about the meetings with Mr.

3877 Abrams, which I am aware of. I am referring to continuing

3878 participation of State Department representatives in

3879 meetings with respect to targeting congressmen or planning

3880 strategy and the lobbying campaign.

3881 . A I didn't participate in any of that if it existed.

3882 . Q And you are not aware of any State Department

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3883 participation.

3884 . A No, I am not.

3885 . Q Are you aware of any assistance or participation by  
3886 Colonel North in the television advertisements prepared by  
3887 the Goodman agency?

3888 . A Bob Goodman did tell me that Colonel North's office  
3889 got him some type of HIND helicopters. I think they were  
3890 filmed in Europe somewhere.

3891 . Q And is that it?

3892 . A That is all I know. We have an ad where it shows  
3893 HIND helicopters in three different pieces of film. I don't  
3894 know which one the Pentagon sold or whatever.

3895 . Q What was your involvement with respect to a program  
3896 in Jamaica on behalf of the International Youth Area or  
3897 International Youth Commission?

3898 . A I was invited to go to a luncheon held, I think, in  
3899 Georgetown City Club Terrace by the sponsor of this thing  
3900 you are talking about, and I went, and there were about 30  
3901 or 40 people there from various businesses and  
3902 everything--and Prime Minister Ciaga was there and made a  
3903 speech and asked all of us if we would help fund this. And  
3904 we didn't.

3905 . Q Was that your only involvement?

3906 . A Yes.

3907 . Q Do you have any knowledge of any funneling of

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3908 monies through the international youth area organization?

3909 . A No. We were going to try to help them and raise  
3910 money or grant them money ourselves, but they evidently had,  
3911 as I recall they had this lunch like two weeks before the  
3912 event, and by the time they got back to us, the event was  
3913 over.

3914 . They never gave us any material, and we said we  
3915 wanted to help you, but it is too late. Thank you very  
3916 much. We are sorry you were so slow in getting us to help  
3917 you.

3918 . Q Mr. Channell, there were several areas of  
3919 questioning that I began today where your counsel directed  
3920 you not to answer, and I am reserving the House Committee's  
3921 rights with respect to those areas of questions. Other than  
3922 that, I have no further questions at this time.

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3923 RPTS MAZUR

3924 DCMH DOMOCK

3925 5:00 p.m.

3926 . BY MR. MCGOUGH:

3927 . Q Mr. Channell, I want to fill in a few blanks in the  
3928 back--in your background, if I could. You were discharged  
3929 from the Army when?

3930 . A In 1973.

3931 . Q Was that an Honorable Discharge?

3932 . A Oh, yes. I received an Army Commendation Medal when  
3933 I left.

3934 . Q My notes show that you told us about your first fund-  
3935 raising experience with MCPAC. And that Mr. Dolan asked you  
3936 to try your hand at it. Were you surprised by your initial  
3937 success at that effort?

3938 . A Very much so.

3939 . Q Why was that?

3940 . A I had never done it before. I didn't know it could  
3941 be done.

3942 . Q You also indicated that you were--or asked by Mr.  
3943 Dolan to serve as MCPAC's National Finance Chairman. Were  
3944 you the first person to serve in that role?

3945 . A Yes, I was--the only one.

3946 . Q You decided to focus on--after you left MCPAC, on  
3947 foreign policy issues, and you said that those were of

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3948 particular interest to you in light of your background. I  
3949 believe you also indicated that Mr. Dolan and other--we could  
3950 call them Washington insiders or Washington people had some  
3951 skepticism over anyone's ability to raise money on those  
3952 kinds of issues. Is that fair to say?

3953 . A That is absolutely correct.

3954 . Q Why did you feel that you could be successful on  
3955 those issues?

3956 . A Well, as you have just stated, I was successful at  
3957 raising money, and I was aware that one of the major reasons  
3958 why issues are lost in this country is because there is very  
3959 little money to promote them. Everything takes money to  
3960 educate the American people.

3961 . The--every national firm in the country that promotes  
3962 a product nationwide normally spends in excess of \$70  
3963 million a year to get the American people to pick that  
3964 product up at a local Safeway store for the first time, and  
3965 they normally take a year to teach people how to move from  
3966 one detergent to another.

3967 . It is a very expensive proposition, and--not being  
3968 expensive--when I first began to study foreign policy issues,  
3969 I incidentally realized that the values and the goals and  
3970 the projects in this city were of incredible importance to  
3971 the American people, but nobody had any money--resources. We  
3972 had all these political thinkers at the top, and nobody down

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3973 | below trying to create the resources to educate the American  
3974 | people about these projects.

3975 | . Q Did you initially start out focusing on European  
3976 | issues?

3977 | . A Yes.

3978 | . Q And what--could you explain a little on European  
3979 | issues?

3980 | . A Yes. As you know the President's rearmament  
3981 | program to defend this country was a big one. The creation  
3982 | of SDI was a very important one. The defense budget in  
3983 | general was a very important one. Those were--that is where  
3984 | I was generally.

3985 | . Q What efforts, if any, did you pursue in those areas?

3986 | . A As you know, I worked for a while with Danny Graham  
3987 | as a consultant to raise money prior to the beginning of SDI  
3988 | while he was just dealing with High Frontier, and then later  
3989 | when he<sup>was</sup> working with SDI.

3990 | . Q Were there any problems encountered in the  
3991 | organization and scheduling of the Nicaraguan refugee dinner  
3992 | or--yes, Nicaragua refugee dinner?

3993 | . A Any--

3994 | . Q Were there any problems encountered in the  
3995 | organization or scheduling of the MRF dinner?

3996 | . A Well, yes. As you know, it was postponed once by  
3997 | the White House. We had invited many people to Washington

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3998 | who were going to pay several thousand dollars to come.  
3999 | They had said they would bring their checks with them. The  
4000 | next thing I was told was that the dinner was to be  
4001 | cancelled. And in fact, it wasn't going to be rescheduled  
4002 | at that time.

4003 |         I had to call all these people and say just that.  
4004 | Several of the people involved said, well, I guess we won't  
4005 | come, and don't expect a check from us for this effort. The  
4006 | dinner was then rescheduled and many of the people that I  
4007 | had talked to said they were now going to be doing other  
4008 | things, and they wished me well and good-bye.

4009 |         There was a constant civil war between the people  
4010 | who were managing this dinner and part of the hiatus, the  
4011 | creation of the hiatus was the fact that the people who were  
4012 | originally managing it were fired by the Nicaraguan Refugee  
4013 | Fund Organization, and then there was a two or three-week  
4014 | period from what I remembered when the Nicaraguan Refugee  
4015 | Fund renegotiated the contract with this group, and then  
4016 | eventually rehired the very same group to do exactly what  
4017 | they were doing, and this is a time when Dan Conrad was  
4018 | volunteering down there.

4019 |         They had told him that they were going to pay him,  
4020 | and then they decided they wouldn't even do that. I wasn't  
4021 | involved in the management. I just heard the sound and the  
4022 | fury and thunder every day.

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4023 . Q President Reagan ultimately addressed the meeting at  
4024 that meeting, did he not?

4025 . A He did.

4026 . Q And he spoke about his commitment to the Nicaraguan  
4027 issue?

4028 . A The vote, as you know, had just taken place, and the  
4029 President had lost, and he came to that dinner and said, we  
4030 will not lose this issue. We are going to do so and so and  
4031 so and so and so and so to try to regain the vote.

4032 . Q Was the President's commitment to the Nicaraguan  
4033 issue one of the factors that motivated you to raise money  
4034 for that issue?

4035 . A The speech by the President that night, as I have  
4036 said to several people, set me on fire. I characterized it  
4037 as lightning and dry timber. It was probably one of the  
4038 finest speeches for freedom he has ever made, and I was  
4039 electrified by that speech, and when I went out of there, I  
4040 decided this was an issue of paramount importance to the  
4041 President and he was so passionately committed to it that I  
4042 felt more convinced than I ever had that I could raise  
4043 support for the freedom fighters.

4044 . Q Was that because--or at least in part because many of  
4045 your contributors were also passionately devoted to the  
4046 issues to which President Reagan was passionately--

4047 . A Absolutely, and they were also passionately devoted

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4048 | to President Reagan. Most had been supporting him since he  
4049 | was Governor, even though they didn't live in California.  
4050 |       Q     I missed a portion of the deposition yesterday  
4051 |     afternoon. I apologize for that, but would--I would like if  
4052 |     you would for me, and it may be repetitious, to outline the  
4053 |     presentation Colonel North would give at the White House  
4054 |     briefings on the Nicaraguan issues.  
4055 |       .       You bring your contributors in, there would be a  
4056 |     number of speeches, and then Colonel North would give an  
4057 |     overview of the Nicaraguan situation. Could you run through  
4058 |     the general flow of that presentation for us?  
4059 |       A     Did you have an opportunity to see the hearings?  
4060 |       Q     Yes, I saw a significant portion of it.  
4061 |       A     I didn't yet, but I heard that he showed the slide  
4062 |     show, sort of. He held it up and talked. Did you hear  
4063 |     that?  
4064 |       Q     Yes, I heard that portion.  
4065 |       A     Okay, I didn't. I just heard about it. That was  
4066 |     his presentation to us.  
4067 |       Q     To us--well, but--  
4068 |       A     That was the deal.  
4069 |       Q     Since you didn't know what he said--and we only have  
4070 |     his word as to what he said when he held--can you give us an  
4071 |     idea of how you recall his speech proceeding?  
4072 |       A     Sure. He would begin by talking about the historic

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4073 background of the coming to power of the Sandinistas. He  
4074 would move on to the fact that the--that there was a  
4075 revolution where multiple parties had helped overthrow the  
4076 Somoza dictatorship.

4077 . He would then say that a true democracy was in the  
4078 process of being born, that the Sandinistas perpetuated a  
4079 coup d'etat and seized the government from the pluralistic  
4080 group of parties that were--that really had participated in  
4081 the creation of the victory.

4082 . He then would talk about the background of the junta  
4083 leaders, the fact that they had education in Moscow, the  
4084 fact that they had education in Cuba, the fact that some  
4085 were terrorists.

4086 . He then talked about the beginning support of  
4087 communist regimes in the world for the growth of communism  
4088 and terrorism in Nicaragua. He would show weapon systems  
4089 brought from Europe. He talked about Libya, East Germany  
4090 and Yugoslavia and Russia and Cuba bringing in  
4091 organizational experts to organize a stylistic form of  
4092 internal repression for the Sandinista regime.

4093 . He talked about the nature of the Sandinista  
4094 conscript. He showed--all the time, of course, showing  
4095 slides that support all of this. He then would talk about  
4096 the advanced military technology coming into Nicaragua. He  
4097 would talk about Libyan terrorism that the Nicaraguan

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4098 Sandinistas had participated in.

4099 He showed--talked about weapons going to other Latin  
4100 American terrorist organizations originating in Nicaragua.  
4101 Talked about the support of the Sandinista regime for the M-  
4102 14 terrorist movement, which destroyed--killed all of the  
4103 Colombian Supreme Court.

4104 He then would talk about the internal repression  
4105 created by such a terrorist regime, the destruction of the  
4106 Jewish population living in Managua, the creation of a  
4107 constant and growing stream of refugees, and he would make  
4108 the comment that under this terrible government by Somoza,  
4109 they were for generations--there were never refugees as were  
4110 generated by this splendid, humanistic reform regime of the  
4111 Sandinistas in three years, which was true.

4112 He talked about where the refugees were coming from,  
4113 the fact that there were hundreds of thousands--he again  
4114 showed pictures of that. He then would talk about the  
4115 creation of the freedom fighter forces, the leaders  
4116 involved, what these people were like, why they were  
4117 motivated to do this, why they were going out to face the  
4118 Sandinistas for freedom, the tremendous courage that these  
4119 people had, and fighting a powerful militaristic communist  
4120 regime, and how we as Americans had an obligation to support  
4121 these people fighting for freedom to recapture the  
4122 revolution that was stolen from them by this coup d'etat of

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4123 these terrorist communists who had taken power in Managua.

4124 . Q During this period, or during this presentation, you

4125 mentioned that he would show slides?

4126 . A Yes.

4127 . Q What were the sources of those slides, if you know?

4128 What was the source of those slides, if you know?

4129 . A I know that Rich Miller, for our presentation, had

4130 some, but I am not sure whether--I don't know where Rich

4131 Miller got his, and I don't know where Ollie got his.

4132 . Q Did MEPL or any of your organizations provide any of

4133 the slides for the--

4134 . A No.

4135 . Q --program? The notes I saw from yesterday's testimony

4136 indicated that in the dinner meeting with Mr. Hunt in

4137 Dallas, one of the items you recalled being mentioned by

4138 Colonel North in the course of his discussion with Mr. Hunt

4139 were grenade launchers. Am I summarizing the notes

4140 accurately and your testimony accurately?

4141 . A Yes.

4142 . Q Do you remember if they were referred to as M-79

4143 grenade launchers?

4144 . A I had said that is what I thought, but I am not an

4145 expert in the numbers. I don't pretend to know.

4146 . Q But that does sound familiar?

4147 . A That is familiar. I am worried about it, because it

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4148 is familiar.

4149 . Q All right. Was there any mention of C-4 explosives?

4150 . A I don't remember that.

4151 . Q Finally, and again, this may be repetitious--

4152 . MS. MORRISON: May I have a second?

4153 . [Discussion off the record.]

4154 . BY MR. McGOUGH:

4155 . Q This again may be repetitious from yesterday, but

4156 forgive me. It is my last question, or perhaps series of

4157 questions.

4158 . Were you aware, or were you ever told by Mr. Miller

4159 that at some point he and Mr. Gomez began to take 10 percent

4160 of contributions being passed through their Cayman Islands

4161 companies as a fee for the service of passing those

4162 contributions along to the contra organizations or to Lake

4163 Resources?

4164 . A Yes, he told me that.

4165 . Q And when did he tell you?

4166 . A It was late last year.

4167 . Q After public disclosure of the Iran initiative?

4168 . A Yes, I think precisely when you are talking about,

4169 that is after the Iran stuff, but I think before we got

4170 deeply involved.

4171 . Q And how did he explain that to you?

4172 . A Just exactly the way you did. He was just very

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4173 honest about it, and he said, I am not sure you know this,  
4174 but we have taken--you said 10 percent. I am not sure  
4175 whether it was 10 percent or not. That may have been the  
4176 figure.

4177 . Q So, you did not know <sup>at</sup> the time it was going on,  
4178 only retrospectively; is that right?

4179 . A That is right, before his report came out to us, he  
4180 told me that.

4181 . Q Did you--what was your response to him at the time  
4182 that you learned of that?

4183 . A I was a little upset at that, because I--you know, he  
4184 had done an incredible, good job for us in almost every  
4185 aspect of his work, and I thought we paid him pretty much  
4186 what he felt he needed for his business, and I--sort of felt  
4187 a little embarrassed that he didn't have the courage to  
4188 share with me earlier, and that he felt it was necessary to  
4189 do that. If you understood what I am--saying--

4190 . Q Let me just ask Tom one question, and then you  
4191 maybe--

4192 . [Discussion off the record.]

4193 . MR. MCGOUGH: That is all I have.

4194 . THE WITNESS: Off the record.

4195 . [Discussion off the record.]

4196 . BY MR. OLIVER:

4197 . Q Mr. Channell, you indicated in relation to the

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4198 letter from Steve Schwartz to Dan Conrad--you indicated that  
4199 this had to do with Sentinel on the record a little while  
4200 ago. Why would Sentinel be interested in the open seats in  
4201 1986 after the vote had already been taken? It is my  
4202 understanding the Sentinel was a lobbying operation.  
4203 . A I wasn't aware that I said Sentinel. You would be  
4204 correct in correcting me.  
4205 . Q If it was not Sentinel, what would it have been?  
4206 . A Either ACT, ATAC. No, it wouldn't have been  
4207 Sentinel. We wouldn't have asked for it--  
4208 . Q You also indicated in relation to the strategy paper  
4209 that was prepared for you by Rich Miller related to the  
4210 charges and allegations that appeared in the Lowell Sun,  
4211 that the notes that you had made on that piece of paper  
4212 indicated that you should think of this as a military  
4213 strategy in dealing with these allegations; is that correct?  
4214 . A That is right.  
4215 . Q And you said that when they were talking to you,  
4216 they indicated you should think of it in that way?  
4217 . A Yes.  
4218 . Q Who was they that ~~were~~ talking to you?  
4219 . A Rich Miller and Dan Kuykendall were there.  
4220 . Q They were--  
4221 . A Presented the paper to him.  
4222 . Q They were briefing you on--

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4223 . A What they thought.

4224 . Q On that paper?

4225 . A Yes.

4226 . Q Did you retain Dan Kuykendall in December of 1986

4227 through May of 1987 for lobbying purposes?

4228 . A I think we have--we did. I am not sure he is--had to

4229 do anything, but we paid him.

4230 . Q Did you pay him in excess of \$100,000 in December of

4231 1986 and June of 1987?

4232 . A I don't think so.

4233 . Q Did you pay him--

4234 . A At all.

4235 . Q Was a figure of \$12,000 a month negotiated between

4236 you and Mr. Kuykendall in December of 1986?

4237 . A It was a little earlier than that, but that would

4238 have been the figure.

4239 . Q Did those payments continue through May of this

4240 year?

4241 . A Some have. We have not--we have not done--we did a

4242 little bit of lobbying, I think, in January or February, and

4243 then he helped us get information on Afghanistan, and

4244 introduced us to some people on Capitol Hill who are experts

4245 on Afghanistan, and he has worked with us on three other

4246 programs that have had nothing to do with overt politics.

4247 . Our Glasnost project, for instance, talking about

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4248 the Russian peace offensive, the new summit that is coming  
4249 up and something else--be about seven or eight programs this  
4250 spring that he has really helped introduce us to people  
4251 about--oh, the conference that we have also been planning and  
4252 researching, he has helped with a lot on democracies and  
4253 insurgency warfare.

4254 . Q If I could ask you to turn back to that document in  
4255 Exhibit 1, which would be around January 5th of 1987--

4256 . A The strategy paper.

4257 . Q Yes, public affairs and strategy paper for Spitz,  
4258 Channell and MEPL.

4259 . A I don't know why I don't know where that is. Thank  
4260 you very much. All right, sir.

4261 . Q This public affairs strategy for you that was put  
4262 together by Rich Miller, Dan Kuykendall, and I assumed David  
4263 C. Fischer and Associates, since they were also mentioned in  
4264 the first paragraph. Did you adopt this strategy?

4265 . MS. MORRISON: I have got a relevance problem with  
4266 that.

4267 . MR. OLIVER: Well, if you will look at page 3, you  
4268 will see on that page the names of members of this select  
4269 committee, and I would like to ask Mr. Channell about the  
4270 strategy as it related to those members of his investigative  
4271 committee.

4272 . MS. MORRISON: We are not looking at the same page.

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4273 . MR. OLIVER: You are looking at that page.

4274 . THE WITNESS: These--I don't think these people are

4275 the members of the committees, with all due respect to you.

4276 This is McCurdy--

4277 . MR. OLIVER: Well, if you will look at--

4278 . THE WITNESS: --on the committee.

4279 . BY MR. OLIVER:

4280 . Q If you will look at page two, the previous page, it

4281 says the select committees are not even convening until late

4282 January and early February, but during this time, staff

4283 members will be picking their targets. We shall move

4284 quickly to reassure our friends and to placate our new-found

4285 antagonists.

4286 . A Yes.

4287 . Q Are the new-found antagonists the members of the

4288 select committee?

4289 . A I don't think--when this was written, I don't think

4290 anybody knew who they were or if those people would be

4291 antagonistic. This was written so early that--this was

4292 written very early in this crisis. As you know, it was

4293 written prior to the naming of the committee members. That

4294 is how early it was written.

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4295 RPTS CANTOR

4296 DCMM MILTON

4297 [5:30]

4298

4299 . Q Do you think it's just a coincidence that most of  
4300 the names on that list are members of the select committees?

4301 . MS. MORRISON: Mr. Oliver, now you are debating the  
4302 document which he didn't draft. Someone else wrote it for  
4303 him. You are debating with him about how names got on the  
4304 list and whether or not it's a coincidence.

4305 . MR. OLIVER: Counsel, he just indicated he was  
4306 briefed on this strategy paper by Mr. Miller and Mr.  
4307 Kuykendall so I assume he is familiar with it.

4308 . MS. MORRISON: I also have a standing objection on  
4309 what the relevance is. That is where we started this  
4310 diversion on to page 3 of the document. I don't see what  
4311 his strategy for dealing with the crisis after it had arisen  
4312 and was over has to do with the committee's mission with  
4313 respect to finding out what led to it.

4314 . MR. OLIVER: I'm trying to determine, Counsel,  
4315 whether or not the names that are associated with the  
4316 members of Congress listed there, all of whom have been  
4317 discussed at one time or another in this deposition, most of  
4318 whom were on Mr. Channell's payroll in 1985 and/or 1986 had  
4319 any assignments that were related to this investigation, and

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4320 whether or not Mr. Kuykendall was paid to lobby this  
4321 committee by Mr. Channell.  
4322 THE WITNESS: No.  
4323 BY MR. OLIVER:  
4324 Q Could you tell me, Mr. Channell, what along in the  
4325 left-hand column on page 3--there are listed a number of  
4326 members of Congress.  
4327 A Yes.  
4328 Q And opposite each one of them is a name of someone  
4329 who has been on your payroll.  
4330 A Yes.  
4331 Q In 1986, is that correct?  
4332 A That's correct.  
4333 Q Why are those names listed opposite the members of  
4334 Congress?  
4335 MS. MORRISON: Again, Mr. Oliver, you are talking  
4336 to him about a document and a list he didn't create.  
4337 MR. OLIVER: It's a document that was created at  
4338 his request by people whom he paid to prepare the document,  
4339 and is a document upon which he was briefed.  
4340 MS. MORRISON: Do you want to ask him whether he  
4341 was told about those names?  
4342 MR. OLIVER: I'm asking him whether he knows.  
4343 MS. MORRISON: Do you know why the authors of the  
4344 documents put those names next to the congressmen?

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4345 THE WITNESS: The strategy as I was told would be  
4346 that these people would try to take--the deal was the article  
4347 from the Lowell Sun. That is what this was focused on, and  
4348 they were going to talk to these people about the article in  
4349 the Lowell Sun, and tell them what a lie, total, unmitigated  
4350 lie that was, and tell them that from their dealings with me  
4351 as paid consultant and experience with me that this was a  
4352 lie, a libelous lie. That is when this document was put  
4353 together, after that article had come out, and that is what  
4354 this document is focusing on.

4355 BY MR. OLIVER:

4356 Q Were you going to pay these people to do this?

4357 A I was not involved with paying Dave Fischer  
4358 anything at this time, and Dan Kuykendall, he was doing this  
4359 I think for me as a friendship. They were all incensed that  
4360 a paper would write such things. This was not why I had  
4361 employed these people at all.

4362 Q It indicates in the top paragraph on page 3 in the  
4363 second sentence of the first full paragraph, "The schedule  
4364 of meetings and who will attend will be handled by Dan  
4365 Kuykendall in conjunction with Lyn Moftiger and IBC." What  
4366 meetings were they referring to?

4367 A I think what they were going to do, because this of  
4368 course was never implemented, was to meet with various  
4369 congressmen and show them our financial records, prove to

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4370 | them that this was a lie. That was my idea, because they  
4371 | wanted to take our financial records immediately, they  
4372 | wanted to take our PAC records and everything, fly up to the  
4373 | House and say to these people "we have the proof that all  
4374 | this Iran stuff is a lie, and here it is."

4375 |     Q     And they did not do that?

4376 |     A     They did not do that because the contra part of the  
4377 | Iran business began within weeks after that, and the whole  
4378 | issue became much more complex, and they did not do that.

4379 |     Q     So this plan was not implemented?

4380 |     A     That's right. This plan was based almost entirely  
4381 | upon the Iran business and the supposed disclosures.

4382 |     Q     This plan was?

4383 |     A     Yes. That is during the time in which this was  
4384 | promulgated. That is why it sounds so historical, that  
4385 | wasn't even a committee yet.

4386 |     Q     Do you remember when you were briefed on this  
4387 | document?

4388 |     A     It was early in January at the latest.

4389 |     Q     The committee members were named in December of  
4390 | 1986, so this would have taken place after committees.

4391 |           MS. MORRISON: He said at the latest, Mr. Oliver.

4392 |           THE WITNESS: We must not have known. They would  
4393 | have been on it.

4394 |           BY MR. OLIVER:

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4395 . Q Did there come a time, Mr. Channell, when you  
4396 received a check from PRODEMCA or two checks from PRODEMCA  
4397 to repay the grant that you had given to them in 1986?  
4398 . A They eventually sent those back, yes.  
4399 . Q Why did they do that?  
4400 . MS. MORRISON: Just a minute. There is no  
4401 foundation for that question. You are asking him to surmise  
4402 what was in someone else's mind or what a group of people  
4403 had as their collective intent for returning funds.  
4404 . MR. OLIVER: I'm asking him if he knows why they  
4405 returned the \$90,000.  
4406 . MS. MORRISON: Ask him.  
4407 . BY MR. OLIVER:  
4408 . Q Do you know why they returned the \$90,000, Mr.  
4409 Channell?  
4410 . A All I know is that their board voted to do that,  
4411 and it was done. That is what I found out.  
4412 . Q Did you know they were going to send the money back  
4413 to you prior to your receiving the letter with the check?  
4414 . A No.  
4415 . Q After you received the letter with the check, did  
4416 you discuss it with Mr. Kimble?  
4417 . A I haven't talked to Mr. Kimble this year. The  
4418 letter did not come with the check.  
4419 . Q Did you discuss with Mrs. Garwood at any time the

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4420 | return of the grant from PRODEMCA?  
4421 | . A No.  
4422 | . Q Did you know that Mrs. Garwood received a letter  
4423 | from Mr. Kimble explaining why they had sent the grant money  
4424 | back?  
4425 | . A No. I'm glad to know it.  
4426 | . Q You indicated that you had two meetings with  
4427 | Elliott Abrams. I assume one of those was a luncheon?  
4428 | . A Yes.  
4429 | . Q Which occurred in early January of 1986?  
4430 | . A Yes.  
4431 | . Q Is that correct?  
4432 | . A Yes.  
4433 | . Q And present at that meeting were you, Mr. Conrad,  
4434 | Mr. Artiano, Mr. Fischer, Mr. Abrams?  
4435 | . A I think Rich Miller.  
4436 | . Q And Rich Miller?  
4437 | . A That's correct.  
4438 | . Q Were the Goodmans present, Bob and Anna Goodman?  
4439 | . A I don't recall that.  
4440 | . Q Did you show Mr. Abrams the story boards for the  
4441 | television ads that you planned to run at that luncheon?  
4442 | . A I don't remember that we did.  
4443 | . Q What was the purpose of the luncheon?  
4444 | . A The purpose of the luncheon was to ascertain from

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4445 the assistant secretary what he thought the progress of  
4446 their proposed legislation would be through the  
4447 subcommittees and committees in the House and the Senate.  
4448 Q Did you indicate to him at that time that you were  
4449 planning what was known as the Central American freedom  
4450 program?  
4451 A Yes.  
4452 Q Did you indicate to him that you were going to run  
4453 television ads?  
4454 A Yes.  
4455 Q Did you indicate to him that they would be run in  
4456 targeted districts?  
4457 A We don't know where at that point we were going to  
4458 run them.  
4459 Q Did you ever consult with Mr. Abrams or Mr. Robert  
4460 Kagan of his office about the legislative strategy related  
4461 to the Central American freedom program?  
4462 A At that luncheon the assistant secretary--that is  
4463 why we met, to find out the timing for the movement of the  
4464 bill, what his views were. Am I not being clear in that?  
4465 I'm not a specialist in the lobbying business, so my wording  
4466 may be poor, but I wanted to find out when they were going  
4467 to propose the bill formally, how it would go through the  
4468 committee, what they felt were the prospects for it, did  
4469 they feel that they were going to have to rescind some of

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4470 the provisions, and did they feel it would be amended. Did  
4471 they feel it would get bottled up. That entire range of  
4472 knowledge, I had none of that knowledge, and that is why we  
4473 went to him for advice, to find out what that time frame for  
4474 that march through might be.

4475 . Q My question was, subsequently did you consult with  
4476 Mr. Abrams?

4477 . A No.

4478 . Q Or anyone in his office about the Central American  
4479 freedom fighters?

4480 . A No.

4481 . Q I just want to ask you a few more questions about  
4482 Exhibit 2, if I may, if you could turn to that. On page II-  
4483 B toward the bottom under "other expenditures," there is  
4484 an indication of an expenditure of \$40,000 by Sentinel for  
4485 something called North Defense.

4486 . A Yes.

4487 . Q Could you tell me what that was for?

4488 . A That was money that we had originally collected to  
4489 give to the Oliver North Defense Fund, and then we were told  
4490 by counsel that we couldn't do that, so we had to send back  
4491 the fund, which we did.

4492 . Q Why did the check come from Sentinel?

4493 . A You know, I don't know.

4494 . Q Wasn't Sentinel your lobbying organization?

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4495 . A Yes. I have no idea. In fact, that might even be  
4496 in the wrong place. I have no idea. It must have been that  
4497 our counsel told us that we had to use Sentinel because it  
4498 was not to give a grant to that, was not a tax-deductible  
4499 matter. When you give money to legal defense funds, it is  
4500 not tax-deductible money, and so it was suggested that we  
4501 request money to put in the Sentinel and then give the grant  
4502 from Sentinel.

4503 . Q But then after you gave the money, it turned out  
4504 that you couldn't give the money from Sentinel?

4505 . A No, that we couldn't give that much money at all,  
4506 and that my lawyer said, "'Spitz, you need to send all the  
4507 money back because each person can give some, and they would  
4508 probably want to give their money. Since you can't give  
4509 that much'--for a moment, I don't know whether you remember  
4510 it or not, like a week or two, Colonel North had a defense  
4511 fund. Then the Board of Governors during that week changed,  
4512 and I'm not privy to why, and then they stopped the defense  
4513 fund, and we were in the process of giving money or raising  
4514 money for the defense fund, and getting ready to give money  
4515 for the defense fund, and then those people evidently put  
4516 everything in reverse and stopped it. We got the checks  
4517 back, and sent them back.

4518 . Q This entire amount?

4519 . A Yes.

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4520 . Q You indicated earlier yesterday that the Central  
4521 American freedom program was a lobbying program.  
4522 . A No.  
4523 . Q Is that correct?  
4524 . A It's not correct at all. Central American freedom  
4525 program was an educational program. Our lobbying program  
4526 was our Sentinel program.  
4527 . Q The Central American freedom program was designed  
4528 to influence legislation, is that correct?  
4529 . A No. It was designed to educate the American  
4530 people.  
4531 . Q Were the activities of Edie Frazer designed to  
4532 influence legislation?  
4533 . A That's correct.  
4534 . Q Were the activities of Jack Lichenstein designed to  
4535 influence legislation?  
4536 . A That's correct.  
4537 . Q Were the television ads in the targeted districts  
4538 designed to influence legislation?  
4539 . A The Sentinel ads were, yes, directly so.  
4540 . Q The other ads that were run by the Goodman Agency  
4541 were not designed to influence legislation, is that correct?  
4542 . A That's correct.  
4543 . Q Why were they run in specific targeted districts?  
4544 . A Some were, some were not, as your records will

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4545 show. We ran some in Barbara Newington's state. We ran  
4546 some in Texas where there weren't any targeted people. We  
4547 ran some in Miami, because of Mr. Pierce, who was one of our  
4548 contributors. In all areas we wanted to educate and inform.  
4549 You choose what you can. We didn't have unlimited funds,  
4550 and we had, as I have talked about, a variety of needs to do  
4551 that. Our Sentinel ads were very directly related to the  
4552 legislation. As you know, after the 22nd or whatever it was  
4553 of March, our educational ads went forward, even though the  
4554 vote was over. Our Sentinel ads began I would say a week or  
4555 10 days prior to the vote, and stopped the morning of the  
4556 vote.

4557 Q Would you turn back to Exhibit 1, the letter of  
4558 April 15, 1986, to Rich Miller.

4559 A What was the number of that?

4560 Q It's dated April 15. It's 079240.

4561 A Yes.

4562 Q You indicate in there in the second paragraph from  
4563 the bottom of the first page that you began to notify your  
4564 subcontractors and consultants that all Sentinel financial  
4565 arrangements with them would be terminated on April 15.  
4566 Then on the next page there is a list of eight people and  
4567 one organization. Could you tell me which people on that  
4568 list were subcontractors to Sentinel, paid by Sentinel?

4569 A Well, we would have the record there on your sheet.

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4570 It would be Goodman would be part of it, and Edie Frazer  
4571 would have been part of it. Kuykendall of course would be  
4572 part of it. Lichenstein would be part of Sentinel. Goodman  
4573 of course did both. Kuykendall participated in both.  
4574 Q Mr. Artiano or Mr. Cook were not paid by Sentinel?  
4575 A That's right.  
4576 Q And Kimble was not paid by Sentinel?  
4577 A That's correct.  
4578 Q Did Sentinel register with the House of  
4579 Representatives as a lobbyist during this period of time?  
4580 A Yes. We were late once with the report, but, yes,  
4581 we registered. Yes, we filed the report.  
4582 Q In 1986?  
4583 A Not only did we but Dan Kuykendall filed. In fact,  
4584 he helped us write our Sentinel report because he was the  
4585 major lobbyist for us, so that when he referred to Sentinel  
4586 activities, he would be referring to what he had done for  
4587 us. We would be listing in detail what he had done for us  
4588 by his knowledge.  
4589 Q He was your principal lobbyist?  
4590 A Yes.  
4591 Q And you indicated yesterday I think you used the  
4592 term that you practically lived with him in 1986?  
4593 A Yes, and we are talking about five days a week. We  
4594 used to share a meal almost every day of the week, and he

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4595 would call me at five minutes after 11:00 every Sunday  
4596 morning for the weekend round-up of news which had occurred  
4597 since he went to bed the night before. Incredible.  
4598 . Q And for that, as you principal, obviously you paid  
4599 him a total of \$11,000 in 1986?  
4600 . A I think you mentioned 12. Twelve I think is  
4601 accurate.  
4602 . Q And that is all that you paid him?  
4603 . A That was an agreement per month, for all of their  
4604 activities.  
4605 . Q Per month?  
4606 . A Yes.  
4607 . Q If you would turn to analysis II-B, statement of  
4608 operations, 1986, that we have compiled, it shows a total in  
4609 1986 to Mr. Kuykendall of \$26,113, only \$11,000 of which  
4610 came from Sentinel, and the other \$14,080 came from NEPL.  
4611 For all of Mr. Kuykendall's lobbying efforts in 1986, he was  
4612 only paid a total of \$11,000, is that correct?  
4613 . A I think probably some of that that is not reflected  
4614 here is reflected in what Rich Miller paid him the first  
4615 part of 1986. As I have told you before, he worked with IBC  
4616 as I guess you would call it IBC's lobbying research man for  
4617 a long time. I made no agreement directly with Kuykendall  
4618 until a very small agreement we had in June or July, and  
4619 then we redid that agreement later in the year, and that is

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4620 the first time we directly picked up Kuykendall's bills, so  
4621 this would reflect this part of the year.

4622 Q So for all those meetings five days a week during  
4623 that period of time as your principal lobbyist, he was only  
4624 paid by your lobbying organization \$11,000?

4625 A Yes.

4626 MS. MORRISON: Mr. Oliver, you have asked the  
4627 question. The witness has answered the question. The  
4628 \$11,000 figure is your figure, not one that Mr. Channell has  
4629 given you. He didn't do that document. Exhibit 2 is  
4630 something that you all put together.

4631 BY MR. OLIVER:

4632 Q Mr. Channell, you referred in a number of these  
4633 documents or referred to in these documents, you used the  
4634 code name of Green for Colonel North. What was the purpose  
4635 of that?

4636 A You have stated the purpose. It was a code name  
4637 that we were introduced to when we first started working  
4638 with Rich and Frank. They called this man Green. For a  
4639 very long time, like two months, when they were referring to  
4640 Colonel North, I thought they were talking about a Mr.  
4641 Green, and it wasn't until our meeting with him that they  
4642 talked about Green that I finally identified Colonel North  
4643 as the man, and to my knowledge it was a nickname; I have  
4644 never known why they did it. Unless I was writing very

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4645 quickLy, I never did it. I always used to write Colonel  
4646 Oliver North or Ollie. To this day I don't know why they  
4647 code-named him that. I don't know what it means other than  
4648 somebody's code name. I never knew what you needed the code  
4649 for.

4650 Q Did you instruct your employees to refer to him as  
4651 Green?

4652 A No. They loved to do that, because that was  
4653 exciting, but they would hear me talking on the phone about  
4654 Ollie North, writing letters about Ollie North. I know  
4655 Ellen Garwood loved to call him Mr. Green, and when she  
4656 would write me letters thinking that Mr. Green was her real  
4657 son, I got the impression that she was talking to me on the  
4658 telephone underneath her bed, about the fun she was having.  
4659 She always used Mr. Green religiously.

4660 Q You indicated earlier that the ads in 1985 run by  
4661 the Goodman Agency were paid for by the American  
4662 Conservative Trust, is that correct?

4663 A That's correct.

4664 Q And I believe that the total in 1985 that was paid  
4665 to the Robert Goodman Agency for these ads was \$282,678;  
4666 \$168,000 from MEPL, and \$114,085 from the American  
4667 Conservative Trust state election fund?

4668 A Yes.

4669 Q These ads were designed to influence the vote in

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4670 Congress, isn't that correct?

4671 . A The ACT was, yes.

4672 . Q Why were these ads paid for by a state election  
4673 fund?

4674 . A Because at that time we had no lobbying  
4675 organization, and our counsel said that we could use the  
4676 state election fund to talk about those issues, which we  
4677 did.

4678 . Q You could use the state election funds?

4679 . A That's right.

4680 . Q To influence Federal legislation?

4681 . A To talk about those issues, yes.

4682 . Q Did he give you that opinion in writing?

4683 . A I don't know whether it came in a letter or not.

4684 . Q Did the transfers that were reflected from NEPL to  
4685 Sentinel in 1986 of approximately \$122,000--was the purpose  
4686 of those transfers in March to pay for the Sentinel ads  
4687 prior to the vote that was to occur in Congress in April?

4688 . A No. The five or six transfers you are talking  
4689 about, you might have been out of the room at the time, I  
4690 said that I was unaware that those were occurring. I only  
4691 knew one, and that was a mistake. They had written a check  
4692 incorrectly, so I don't know about that.

4693 . Q Who had the authority to transfer \$122,000 in a  
4694 three-week period from the NEPL account to the Sentinel

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4695 account?

4696 . A Dan Conrad had the authority to write checks back  
4697 and forth. I wasn't aware of it. As I just said to you, I  
4698 wasn't aware that that happened, if indeed it did. There  
4699 may be, by the way, some very legitimate reason why that had  
4700 to be done. As you are well aware, every <sup>501</sup>501(c)(3) spend a  
4701 certain percentage of its budget on lobbying. The IRS has  
4702 never made a complete designation as to what amounts. There  
4703 are many 501(c)(3)s who will spend 10 percent of their  
4704 budget. For us that would have been last year, 1986,  
4705 \$750,000 from MEPL to Sentinel, if they wished.

4706 . Q I'm not aware that a 501(c)(3) can spend 10 percent  
4707 of their funds on any lobbying.

4708 . A Fine. You may refer to the New York Times and the  
4709 hearings that have been held here on that this spring. I  
4710 wasn't aware of it either. Our lobbying expenditures from  
4711 our 501(c)(3), if you count all that together, amounted to  
4712 1.5 percent of our MEPL income for last year, which would be  
4713 far below the national average formally acceptable to the  
4714 IRS, so even if we did, even if I had known about that, I  
4715 think that would have been well within the law.

4716 . Q If the balance in your MEPL account had been  
4717 seriously affected by this transfer of tax-deductible funds  
4718 to a lobbying corporation for the purpose of running  
4719 television ads, do you believe that that might have been a

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4720 violation of the tax code?

4721 . MS. MORRISON: I object to the question. We are  
4722 not going to talk about hypotheticals here. He is not a  
4723 lawyer and doesn't profess to be.

4724 . THE WITNESS: I'm afraid I'm going to have to try  
4725 to run out.

4726 . MR. OLIVER: I have got a lot of other questions.  
4727 We will just postpone them for another day.

4728 . [Whereupon, at 6:00 p.m., the deposition  
4729 adjourned.]

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ORIGINAL

1 RPTS STEIN

2 DCMX DANIELS

3 *Russell*  
4 DEPOSITION OF CARL ~~SPITZ~~ CHANNELL

5

6 Thursday, September 17, 1987

7

8 House of Representatives,

9 Select Committee to Investigate

10 Covert Arms Transactions with

11 Iran,

12 Washington, D.C.

13

14 . The select committee met, pursuant to call, at  
15 10:15 a.m., in B-352, Rayburn House Office Building, Spencer  
16 Oliver (Associate Staff Counsel) presiding.17 . Present: Spencer Oliver, Associate Staff Counsel,  
18 House Select Committee, and Chief Counsel, House Foreign  
19 Affairs Committee; Tom Fryman, Staff Counsel; Kenneth R.  
20 Buck, Assistant Minority Counsel; and Victor Zangla,  
21 Associate Staff Member, House Select Committee.22 . Also present: Alexia Morrison, Esq., Swidler &  
23 Berlin, on behalf of the witness.

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24 . Whereupon.

25 . CARL SPITZ CHANNELL

26 was called for as a witness and, having previously been  
27 sworn, was examined and testified as follows:28 . FURTHER EXAMINATION BY COUNSEL FOR THE SELECT  
29 . COMMITTEE30 . MR. OLIVER: This is a continuation of the  
31 deposition of Carl Channell. The witness has been  
32 previously sworn.

33 . BY MR. OLIVER:

34 . Q Mr. Channell, we were talking, discussing the other  
35 day the Central American Freedom Program and the development  
36 of that program, how it was executed and who was involved.  
37 One of the exhibits that was discussed last week was a  
38 letter from you on April 15, 1986 to Richard Miller that  
39 related to our subcontractors," quoting the letter.

40 . Do you recall that letter?

41 . A Yes.

42 . Q I would like to ask you about some of those  
43 subcontractors, but before I do, I would like to enter as  
44 Channell Exhibit No. 50--I ask the reporter to mark the  
45 exhibit. The exhibit is a memorandum to you from Rich  
46 Miller and Frank Gomez dated January 9, 1986, Subject:  
47 Freedom Program.

48 . [Exhibit No. 50 was marked for identification.]

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Declassified/Released on

10-1-2018

under provisions of E.O. 12356

by D. Sirko, National Security Council

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49 BY MR. OLIVER:

50 Do you recall receiving that memorandum?

51 A This?

52 Q Yes.

53 A No.

54 Q Do you recall Rich Miller and Frank Gomez

55 recommending to you that Bruce Cameron be retained by your

56 organization or through PRODEMCA?

57 A They introduced me to him and that is how we came

58 to try to help him. I had never known him before.

59 Q But they recommended that you give a grant to

60 whatever entity you ultimately gave a grant to to retain

61 Bruce Cameron; right?

62 A They recommended that he be brought on to the

63 program and that we pay him either directly or through Rich

64 Miller's efforts.

65 Q Is it also the case that David Fischer and Marty

66 Artiano were introduced to you by Rich Miller?

67 A Yes.

68 Q He recommended that you retain these people for

69 various services to your organization; is that correct?

70 A Yes.

71 Q Is it also true that Rich Miller recommended the

72 Goodman Agency for the television ads that were prepared and

73 run in 1985 and 1986?

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74 . A I think so.

75 . Q Is that correct?

76 . A Yes.

77 . Q How did you meet Dan Kuykendall?

78 . A I was introduced to him at Rich Miller's office.

79 . Q Is it also true that Rich Miller recommended that

80 Dan Kuykendall be retained by you for services to your

81 organization?

82 . A Well, Rich was part--I mean, Dan Kuykendall was part

83 of--Dan Kuykendall was evidently a resource to Rich Miller

84 whom I came to value halfway through 1986 a lot. And then I

85 made a direct relationship with Dan Kuykendall in July or

86 August.

87 . Q But the original relationship between you and Dan

88 Kuykendall emanated from your--

89 . A Rich Miller's work with Kuykendall trying to help

90 me with information, yes.

91 . Q How did you come to know Penn Kemble?

92 . A Rich introduced me to Penn also.

93 . Q Did Rich Miller recommend that you give a grant to

94 PRODEMCA in furtherance of the Central American Freedom

95 Program?

96 . A No. I don't remember that. Penn Kemble himself

97 talked to me about their need for funds to help place this

98 ad that <sup>they</sup> ~~he~~ were currently writing in various newspapers, and

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99 I asked him how much it would be, and I forgot, I don't know  
 100 whether we were able to get him all of it or just part of  
 101 it. I don't recall that Rich asked me to do it or Penn  
 102 himself asked.

103 Q You had originally been introduced to Kemble by  
 104 Rich Miller?

105 A That <sup>is</sup> right.

106 Q How did you come to know Lyn Mofziger?

107 A I had--Rich took us over to see him I think twice or  
 108 three times, and at various times Rich would say, "I have  
 109 just met with Lyn and Lyn thinks you should be looking at  
 110 this, studying that. You are not doing this, and what do  
 111 you think."

112 And he said this a very great deal. And most of  
 113 the time I would go hm. Eventually I thought maybe I  
 114 should go see Lyn Mofziger myself and talk to him directly.

115 As you know, I eventually began to create official  
 116 relationships with Rich's board of advisers directly myself.  
 117 because Rich Miller was--it was my view that he was not going  
 118 to be as strong on a lot of other programs as he had been on  
 119 Nicaragua, and I did not want to lose the benefit of all  
 120 this wisdom when we stopped Nicaragua.

121 As you know, I was beginning to work on other  
 122 programs even in March and April <sup>of 1986</sup> because Nicaragua was  
 123 supposed to end the 20th of March and we had scheduled to

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124 start working on SDI, the Constitution project, Freedom  
125 Minutes, the fourth of July celebration, lots of other  
126 things the 21st of March.

127 . And when I had talked to Rich a lot about this, he  
128 didn't--you may not <sup>know</sup> ~~use~~ this phrase, "bring to the table"  
129 tremendous ability and knowledgeable people.

130 . I said I am just going to have to get out and get  
131 these people myself or retain them myself for these other  
132 projects because Rich doesn't carry that experience and that  
133 expertise.

134 . So very shortly after the first vote and by late spring, I  
135 was really moving myself to see these people. I had already  
136 created official relationships myself with them.

137 . Q So these people whom you came to know through Rich  
138 Miller or who were recommended by Rich Miller eventually  
139 became directly involved with your organization?

140 . A That is right.

141 . Q When did that begin to occur?

142 . A Beginning in late spring, I would say, April or  
143 May.

144 . Q So that would have been Mr. Fischer and Mr.  
145 Artiano?

146 . A We ended up giving them--not Marty Artiano, but we  
147 gave Fischer, I think it was two checks without IBC being  
148 involved in the late summer or early fall because we weren't

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149 really working with Rich very much then at all. And that,  
150 by giving him those checks, we were saying that Rich  
151 wasn't--that David was not part of Rich Miller anymore.  
152 We gave the money directly to David for his help on  
153 our programs.

154 David had an ability to help us far and away more  
155 than Rich Miller did because David was not pinned to one  
156 issue. David has connections all over the United States.  
157 People who support the President, on a variety of issues,  
158 and we were moving on to a variety of issues. And so David  
159 was going to be real heavily <sup>involved</sup> in helping us frame, for  
160 instance, our Constitution project.

161 I am sure you have seen the Dan Conrad "to do"  
162 list, 8 or 10 pages of names that David and we helped put  
163 together of people we wanted to contact all over the United  
164 States to help us fund the Constitution project.

165 Rich Miller just didn't have anything like that to  
166 "bring to the table."

167 RPTS STEIN

168 DCMN DANIELS

169 Q Why did you go back to Rich Miller and IBC in, I  
170 believe, December or January--December of 1986 or January of  
171 1987, if you had believed that they couldn't help you with  
172 future programs?

173 A As early as November, when I found out how the

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174 freedom fighter bill had finally been fashioned to be  
 175 signed, we realized that we were going to have a battle in  
 176 early January--that is when we thought the battle would  
 177 occur, to release the \$40 million.

178 . I called Rich and said, "We are going to have to  
 179 get back together. We are going to start Nicaragua again.  
 180 We need to have some meetings and find out what the  
 181 proceedings <sup>are</sup> ~~is~~ going to be, what you think, what your  
 182 resources say."

183 . I, of course, was dealing with other people, too,  
 184 but I had only hired two people that he had dealt with and  
 185 he had friends at the State Department, friends at the White  
 186 House, friends from Central America, congressional people,  
 187 whom I had heard the names from time to time, but I had  
 188 never dealt with them myself.

189 . A I said, "We are going to have to get together and  
 190 get a program ready for early January. They are going to  
 191 try to defeat the \$40 million, so let's start meeting."

192 . Q Did you get a program ready for January?

193 . A We never got it <sup>going</sup> ~~nothing~~. We worked with Kuykendall  
 194 on it as a lobbyist, but Rich Miller was <sup>also</sup> ~~so~~ involved, as I  
 195 became, with this project, that we couldn't do it. But we  
 196 did spend money with Kuykendall who seemed to have his hand  
 197 on it.

198 . Q So the \$40 million was released without much of a

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199 struggle?

200 A That is right.

201 Q So that was really the end of the Central American  
202 Freedom Fighter Program?

203 A Yes.

204 Q What else did you retain Rich Miller to do in late  
205 1986 and early 1987?206 A Well, we were going to work on several--we were  
207 hoping to work on several other programs, and--208 Q Did you retain him to do a study of domestic  
209 organizations that were supporting the Sandinista  
210 Government?211 A He had suggested to me that this could be done,  
212 that he had tremendous sources of information he had been  
213 compiling and did I think this would be a worthwhile  
214 project.215 I said, "My goodness, yes, that would be wonderful  
216 if it could be thorough and complete." I had haphazard  
217 pickups of information from time to time and I thought that  
218 would really be wonderful to be able to show the entire, if  
219 it was possible, voluminous report on the activities of  
220 those people who differed with the President on freedom  
221 fighters on Central American policy.

222 Q Did he do that study for you?

223 A He did--what would you call it--a final draft of it.

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224 . Q With an appendix? Was there an appendix to the  
225 draft?

226 . A I don't know; maybe.

227 . Q What did you do with that final draft when he  
228 submitted it to you?

229 . A We had eight or ten copies of it, four or five  
230 copies of it.

231 . Q What did you do with them?

232 . A I think I had two copies in the trunk of my car.

233 . Q What did you do with the other copies?

234 . A I gave some away to my staff, and I think we may  
235 have sent one or two out. As I said, we had so few. The  
236 thing was about two inches thick, and I don't know what  
237 other people did with theirs, but mine I think is in the  
238 trunk of my car. It wasn't finished, of course.

239 . Q You said you sent one or two out. Do you remember  
240 who you sent it to?

241 . A I don't remember whether I sent any out, but we may  
242 have.

243 . Q Do you know whether any copies were sent to Members  
244 of Congress?

245 . A I don't think so. It wasn't finished.

246 . Q Why would you send it out?

247 . A That is right, it wasn't finished.

248 . Q You said you sent one or two copies.

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249 . A I think we sent one to somebody in California maybe  
250 and one of our contributors. I don't know what happened to  
251 the rest of them. There were very few--we never finished the  
252 project, because it turns out that the funding was going to  
253 be more than we could afford, and so I just said since we  
254 can't afford it, we are just going to have to stop.

255 . Q Did you give one to Dan Kuykendall?

256 . A <sup>He</sup> ~~He~~ should have had one. I am not sure I gave it to  
257 him. I well could have, to go over, because he would be one  
258 of the people who would have such expertise that he would  
259 need to go over, not necessarily, edit the entire report.

260 . Q What expertise would he have that related to study  
261 of such organizations?

262 . A He would know, I think he does know many of the  
263 groups that lobby on Capitol Hill for points of view that  
264 are contrary to the President's policy, because I assume  
265 that he would bump into them from time to time in his work  
266 up here. He should know a lot of them.

267 . Q Did you discuss the report with him?

268 . A I don't recall any specific discussion with him.  
269 As I say, it was never finished like I was hoping.

270 . Q When Mr. Miller conveyed the draft report to you,  
271 did he indicate to you that you should consult an attorney  
272 prior to making any use of that document?

273 . A I don't recall that. Again, it was never finished.

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274 It was never put into a position where we could present it.  
275 I was going to eventually have a press conference and hand  
276 it out to the world, but we never came close to being in  
277 that position because it was never finished.

278 Q Do you have knowledge as to whether or not that  
279 document was ever conveyed to any staff member, a Member of  
280 Congress or a Member of the Senate?

281 A I don't know.

282 Q You have no knowledge?

283 A No.

284 Q Did you ever discuss the paper with Congressman  
285 Kuykendall?

286 A As I said, I am sure at some time that we should  
287 have discussed it, because I wanted him to go over it,  
288 review it, make it better, criticize it, and--

289 Q Do you recall discussing with him how it might be  
290 utilized?

291 A Well, my idea, as I said, was to have a press  
292 conference and give it to the world. He might have had  
293 different ideas.

294 Q Did Rich Miller's idea for this report come to you  
295 after the 25th of November 1986?

296 A Yes. However, we had discussed the need to do this  
297 type of thing as early as March or April of 1986. He came  
298 to me with this idea because he knew that I was looking for

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299 | this.

300 |           When we had first hired--I don't remember the other  
301 | guys name who went down to Nicaragua and made a report on  
302 | human rights--Was Smith--I said to Rich, "Wouldn't it be  
303 | wonderful if we could have some people do some studies on  
304 | all the activities of all these groups in this issue and  
305 | find out where they are coming from, who their sponsors are,  
306 | what their goals are, everything, and do a large study?  
307 | Nobody knows who is involved."

308 |       Q     But you didn't do that?

309 |       A     No. So Rich Miller came back to me late in the  
310 | year and said, "I think we can put all this information  
311 | together and do a major study." I thought that would be  
312 | wonderful.

313 |       Q     Weren't you rather concerned at that time with  
314 | other things such as the article that appeared in the Lowell  
315 | Sunday and the \$40 million that needed to be voted upon for  
316 | release in February?

317 |           It seems like an unusual time for you to begin a  
318 | project that you had thought about for some time and hadn't  
319 | actually undertaken.

320 |           My question is, was the decision to have this study  
321 | done related in any way to the investigation or the  
322 | investigations that were underway in December and January of  
323 | 1986-1987?

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EA. 324 . A No. As I am sure you are well aware, I made a  
325 major statement on the Lowell Sun~~day~~<sup>9</sup> newspaper business,  
326 because that was just something that was totally out of this  
327 world, totally a bunch of lies, and we thought that it was  
328 some political attack on us.

329 . And after all, we had been very active on an issue  
330 that was very controversial and we expected to get attacked,  
331 but not in this fantastic form, but we expected to be  
332 attacked.

333 . On the other hand, the \$40 million, which we felt  
334 frankly was going to require a smaller, more technical  
335 program to try to help it to get over the lump, we had sort  
336 of a--I looked at it as a breathing space, and we had  
337 compiled, all of us had compiled so much information, so  
338 many news clippings, so many people had spoken on the issue  
339 of Nicaragua that I thought this was a real good time to do  
340 a study of exactly who the forces were that were making  
341 policy in the United States regarding Central America and  
342 get it all together for once.

343 . Simply to what you are doing right now, after there  
344 have been investigations and hearings, now you are putting  
345 it all together, you have time to edit, put things together,  
346 talk to people extensively.

347 . This process is not unique to the House of  
348 Representatives.

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349 . Q I wish we did have that kind of time, I really do.  
350 . A We felt that we had been exposed to so many  
351 different groups, new groups, what they were doing we  
352 weren't sure and I learned about a lot of groups I never  
353 knew existed before and I was very anxious to get something  
354 together, a huge volume that would talk about what was going  
355 on.  
356 . We had very little authoritative information during  
357 the entire campaign as to what group was doing what, where  
358 they were coming from and I thought this was a good time.  
359 . Q Did you read the report?  
360 . A I read it once, yes.  
361 . Q Did you convey an opinion to Mr. Miller about the  
362 merits of the report?  
363 . A Yes.  
364 . Q What did you say to him?  
365 . A It was no good.  
366 . Q Why not?  
367 . A Well, there were lots of--I didn't feel like it had  
368 much meat in it. There were lots of Xeroxes from articles  
369 and legal documents which were old, and I didn't know the  
370 relevance of them. There wasn't a narrative that truly  
371 developed where the entire panoply of groups were coming  
372 from.  
373 . It was exceedingly incomplete as to the number of

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374 groups that were discussed. I think there were only maybe  
375 four or five groups of any substance that were discussed.  
376 And I said to him, 'This is just--' in a long  
377 conversation--'extremely incomplete. It is exactly what we  
378 want in a very well defined form dramatically expanded.'

379 . At which point he said, 'That is going to cost a  
380 lot more money because if you want that, we are going to  
381 have to do a lot more research. It is going to take a lot  
382 longer.'

383 . I said, 'Okay, I will get back to you.'

384 . Q How much did you pay him for the draft?

385 . A I think the two months of research or whatever was  
386 \$10,000 or \$15,000 and putting the final draft together.

387 . Q After the \$40 million was released without much of  
388 a struggle and you had rejected the draft report on domestic  
389 groups, what projects were you involved in from that time  
390 until June of 1987?

391 . A Well, we worked on our--on doing a lot of research  
392 in preparation for an Afghanistan news update television  
393 program. We did some research on a meeting, planned to have  
394 a meeting to discuss insurgency warfare.

395 . We have worked on--well, we actually even before  
396 that, in December and November, we worked on a program in  
397 Germany to create a monument there to freedom.

398 . Q Between February and June of 1987?

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399 . A No, that started in November. We worked on a  
400 glasnost project to help educate the American people as to  
401 what glasnost meant and the various aspects of bilateral  
402 relations between the United States and the soviet Union.  
403 . That is not all of them. I just can't remember.  
404 . Q Did you retain any experts on those subjects to do  
405 that research for you?  
406 . A I don't recall that we had any formal arrangements  
407 to do research for us other than our own staff work.  
408 . Q Who on your staff did that kind of research?  
409 . A Well, I did, a fellow named Rafael Flores, who was  
410 a small consultant to us helped us out with film, research  
411 activities, and he had two or three people working with him  
412 on that from time to time, and I don't know who they are  
413 because I never saw them.  
414 . Q What did Dan Kuykendall do for you between the time  
415 that the \$40 million was released and June of 1987?  
416 . A He worked with me frankly as an information source.  
417 He has worked with me almost every day of my life since I  
418 first engaged him in either July or August of 1986.  
419 . We have worked together--I call him three to four  
420 times a day, see him three or four times a week, and I  
421 regard his views vary, very highly.  
422 . Q Do you recall a luncheon in late May or early June  
423 of 1987 with Dan Kuykendall and Mrs. Kuykendall, Kris

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424 Littledale and yourself and perhaps others?

425 . A We have had three luncheons this week.

426 . Q I am talking about in May 1987, when Kris

427 Littledale was present?

428 . A You will have to give me a lot more information

429 than that. I have had him and his wife out to lunch several

430 times.

431 . Q Do you recall a luncheon which Kuykendall arranged

432 with you and Kris Littledale when you indicated to Kris

433 Littledale that you owed him a debt?

434 . MS. MORRISON: Is this related to Micaragua?

435 . MR. OLIVER: This is related to this investigation.

436 . MS. MORRISON: We are talking about a time

437 frame--even though we are out of the clearly relevant time

438 frame, I have no idea what this discussion about lunch is

439 related to.

440 . MR. OLIVER: I am asking if he remembers it.

441 . THE WITNESS: I don't remember precisely. We

442 interacted so much that you are going to have to help me

443 more than that.

444 . BY MR. OLIVER:

445 . Q Well, do you recall thanking Kris Littledale for

446 something he had done for you in late May of 1987 related to

447 this investigation?

448 . A I guess that is when I made my plea or something.

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449 I don't know. I thanked everybody for being so supportive.  
450 I am sorry. I am not picking up on that.  
451 . Q You referred a few moments ago to Dan Conrad's ''to  
452 do'' list which I believe you were provided copies of on a  
453 regular basis.  
454 . A No. I was provided copies for a long time and then  
455 I think in June or July of 1986 I stopped getting them for  
456 about four or five months.  
457 . Q Why?  
458 . A He felt that I was not interested in what he was  
459 planning.  
460 . Q Were you telling him what to put on that ''to do''  
461 list?  
462 . A I had worked with him a lot on the subjects and he  
463 was to develop the programs, see people. I talked about  
464 programs and the goals of those programs and why we needed  
465 to do those programs and he was as an administrator to help  
466 put them all together and go with them.  
467 . Q Do you recall telling him to get some information  
468 for you about how to establish an international foundation?  
469 . A Oh, we had discussed that for a year. Oh, yes.  
470 . Q Do you recall a discussion about getting some  
471 advice from Roy Gotson about setting up an international  
472 foundation?  
473 . A I don't recall that that is--I never heard Roy

Godson?  
→

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474 Gotson talk ever. But--I didn't know that he was in that  
475 business either. No.

476 . Q Do you recall asking Colonel North to discuss, get  
477 some information for you about how to set up an  
478 international foundation?

479 . A No.

480 . Q Do you recall a reference on Dan Conrad's "'to do'"  
481 list that remained there for a period of time, a reference--

482 . A That was one of the problems. They just remained  
483 there.

484 . Q About Ollie's 400-K?

485 . A I remember that.

486 . Q Do you know what that was, what that referred to?

487 . A Yes.

488 . Q What was it?

489 . A That was--we had several programs that we were  
490 working on and someplace in the files I found out that that  
491 was either talking about a series of--I think that was a  
492 series of motion pictures we were going to make or some  
493 project like that, and that Ollie was going to be involved  
494 in narrating it. And I think it was my initial budget for  
495 that--we thought we could do it with \$400,000.

496 . Someplace in our files somewhere that has been  
497 explained. I don't know where it is.

498 . Q Do you know why it would be referred to as Ollie's

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499 400-K?

500 . A Yes, because he was going to be the star of the  
501 movie. We had met with Goodman and asked him if he could  
502 help us do terrorism films to discuss terrorism in the  
503 United States and all over the world, and we decided that we  
504 would go to Ollie and ask if he could even narrate it.

505 . We thought we might even do two.

506 . Q That is what Ollie's 400-K referred to, that film?

507 . A Films, I think we were going to use Western Goals  
508 as the funding source. Somewhere in our files there were  
509 three figures one day and I was asked about this and we  
510 researched it.

511 . One of them was for elections, it was a budget-type  
512 thing. One was what I hoped to raise for elections. One  
513 was for these television films, one amount for conferences  
514 and I think there was one more amount.

515 . I am sorry. I think we are--

516 . Q You had several large contributors who collectively  
517 were responsible for more than half the funds that were  
518 raised for your organizations, and I am referring  
519 specifically to Mrs. Newington, Mrs. Garwood, May King, Fred  
520 Sacher, Bunker Hunt, the Warns, Mr. O'Neil, Mr. O'Boyle, Mr.  
521 Brandon, Mr. Driscoll, and Mr. Hooper.

522 . I think that <sup>they</sup> ~~that~~ would probably be the largest  
523 contributors. They first contributed to your organization

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524 through MEPL; is that correct?

525 . A No.

526 . Q What did they first contribute to?

527 . A Well, some of these people had given to our

528 political activities before. I know over half those people

529 from my previous experiences at MCPAC.

530 . Q It is your recollection that their first

531 contributions came to your Federal PAC?

532 . A Some of those people I said did give to our Federal

533 PACs.

534 . Q Do you remember which ones?

535 . A No. A lot of the people gave to the Nicaraguan

536 Refugee Dinner for the first time. Some of them gave to--

537 . Q You mean the Nicaragua Refugee Fund Dinner in 1985?

538 . A That is right.

539 . Q That wasn't one of your organizations?

540 . A No. Some people gave to MEPL in order for us to

541 give a grant to the Nicaraguan organization. Some had

542 clients that ended up giving to MEPL.

543 . Q Subsequently after the establishment of MEPL and

544 PAC, you established Sentinel?

545 . A Yes.

546 . Q And some of these people gave contributions to

547 Sentinel?

548 . A Yes. We never had many contributions to Sentinel.

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549 . Q Subsequently you set up ATAC?

550 . A Yes.

551 . Q And some of these contributors gave money to ATAC?

552 . A That is right, although we sent out hundreds of

553 letters to lots of people over the United States to try to

554 get money.

555 . MR. OLIVER: I would like to have the reporter mark

556 this as Channell Exhibit No. 51.

557 . [Exhibit No. 51 was marked for identification.]

558 . BY MR. OLIVER:

559 . Q I ask you to examine this document. That is a memo

560 dated December 2, 1986 to Cliff/Spitz from Steve, re:

561 Goodman/RAM Films Balance Due.'

562 . Q Do you remember receiving this memo, Mr. Channell?

563 . A No.

564 . Q Do you remember the subject that was discussed in

565 this memorandum?

566 . A I don't remember receiving this. This would

567 probably be worked out with Cliff, because he was working

568 directly with paying the PAC bills.

569 . Q The second paragraph says, 'We were also told to

570 hold off on sending the initial money to Goodman and RAM

571 until enough funds had been 'created' in the Federal

572 account. I believe this was accomplished via contributions

573 from Spitz, Eric, and ATAC FED (\$,000 each).'

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574 Did you create enough money in the Federal account  
575 through contributions from yourself, Eric, and ATAC FED?  
576 A Well, I guess we did. We ended up paying the  
577 bills.  
578 Q The next paragraph says, "At this point in time,  
579 the Federal monies were used to purchase critical time buys,  
580 not production costs."  
581 Is that your recollection, that this money was  
582 contributed to your Federal account to purchase critical  
583 time buys?  
584 A All the money that we tried to raise was for the  
585 entire Federal political project, production costs, time  
586 buys, the same deal.  
587 Q Did there come a time when you and Eric Olson  
588 contributed \$5,000 each at approximately the same time--  
589 A I don't know if it was the same time.  
590 Q Into the Federal account?  
591 A I don't know if it was at the same time.  
592 Q Do you remember asking Eric Olson to contribute  
593 \$5,000 to your Federal PAC?  
594 A Sure. to as many as he could actually.  
595 Q How many did he contribute to?  
596 A Just one.  
597 Q Was that contribution in connection with a critical  
598 time buy for your television ads?

*to  
PAC?* →

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599 . A This contribution would have been to help us with  
600 all of our Federal activities, whatever we were doing.

601 . Q It is your testimony that it was not in connection  
602 with the critical time buy at the time it was given?

603 . A I don't have any comment on that. I mean this is  
604 their wording, so I assume this contribution was a month or  
605 two months before this. I think it would have had to have  
606 been. I don't really know what the relevance is about this,  
607 frankly.

608 . I am sorry I am unable to connect this with--

609 . Q Well, the relevance, Mr. Channell, is that these  
610 time buys were connected with the Central American Freedom  
611 Program designed to influence the vote of the Congress?

612 . A No, they weren't at all. The Central American  
613 Freedom Program had ended the 27th of June, when the bill  
614 was passed. We got a 12-2 memo.

615 . Q Well, this is considerably after these--

616 . A There were no Central American--

617 . Q --television ads.

618 . A There were no Central American ads on during any  
619 political campaign, so I don't really know why we are doing  
620 this frankly.

621 . Q Well, when did you run your last television  
622 commercials connected with the Central American Freedom  
623 Program?

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624 . A It should have been the day before the vote  
625 occurred, which would have been the 26th of June--the 25th--I  
626 wasn't in the United States the two weeks before the vote  
627 occurred. But it had to be the last three or four days of  
628 June.

629 . Q But you also ran a number of ads before the first  
630 vote, which occurred in--

631 . A March.

632 . Q In March 1986. Do you recall a concerted effort by  
633 you and your staff to raise funds for those ads to be run  
634 prior to the vote in March of 1986?

635 . A We started raising money for the ads in December of  
636 1985. We had started our testing program of television even  
637 before that. And we were putting together educational ads,  
638 frankly, as soon as we could get the money, beginning in  
639 December of 1985.

640 . Q When did you first run the ads?

641 . A I think we finally got them started in February or  
642 March, a whole series of them, of 1986.

643 . Q Then you ran those ads in order to influence the  
644 vote on freedom fighter aid to the contras?

645 . A No. We had an organization to do that. We ran  
646 these ads to make people aware of the issue of Central  
647 America.

648 . Q You ran them in selected congressional districts;

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649 | is that correct?

650 | . A Every part of the United States is part of a  
651 | congressional district. We ran them in places where our  
652 | contributors had given money. We ran them in the South and  
653 | Southwest. We ran them in Washington, D.C. A few we were  
654 | able to run in the North, where we had the money.

655 | . Q Is it your testimony that these were not run in  
656 | selected congressional districts?

657 | . A They were run in media markets which involved  
658 | congressional districts, of course, and they overlapped.

659 | . Q What did Eric Olson do for your organizations?

660 | . MS. MORRISON: I think we have talked about this  
661 | subject area before, Mr. Oliver. It is really something  
662 | that has to do with the Administration of the organizations  
663 | that Mr. Channell had. It has nothing to do with Nicaragua.

664 | . MR. OLIVER: I think we have already established  
665 | that Mr. Olson contributed the maximum amount of money  
666 | allowed by law to the Federal PAC, which was used to run ads  
667 | in the Central American Freedom Program.

668 | . THE WITNESS: No, it was not.

669 | . BY MR. OLIVER:

670 | . Q The American Conservative Trust was not used to run  
671 | ads connected with the Central American program?

672 | . A Not that year at all, no.

673 | . Q In 1986?

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674 . A No. In 198--well, I don't think it ever did, as a  
675 matter of fact. I don't know why we remain confused about  
676 this.

677 . Q Well, I think we remain confused about it, Mr.  
678 Channell, because the ads that were run by the Goodman agency  
679 directly related to Nicaragua just prior to the votes in  
680 1986, were attributed to the American Conservative Trust.

681 . A I know. As I said, we discussed this last time I  
682 was here. That was part of a billing problem. We got them  
683 paid correctly. Their files were screwed up in who they  
684 were billing.

685 . We paid them correctly, which they eventually after  
686 many months of not realizing that they had screwed up on the  
687 files, also said we had paid them correctly.

688 . Q Did you review the ads before they were run?

689 . A In most cases. Some of the ads--I reviewed the  
690 prototypes. When I was gone in June of 1986, some of the  
691 ads that were produced after a prototype I never <sup>544</sup> saw, but I  
692 had approved the prototypes.

693 . Q Do you recall the credit line on those ads being  
694 the American Conservative Trust?

695 . A Well, we ran a variety of ads. The ones in June  
696 were from Sentinel. The ones in the spring were from  
697 Sentinel that were lobbying ads and the ones that were  
698 education that were information ads were MEPL.

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699 . Those were the ones that I approved. He, I think  
700 on two different occasions, made ads with the wrong credit  
701 line on them, but he also corrected them.  
702 . Q You say he corrected them?  
703 . A Yes. The same ad was then made with the right  
704 credit line on it. As I said, he was confused about the  
705 billing even in December of 1986. I don't think he was  
706 confused; his bookkeepers were confused.  
707 . MR. OLIVER: Why don't we take a five-minute break.  
708 . [Brief recess.]  
709 . MR. OLIVER: Back on the record.  
710 . BY MR. OLIVER:  
711 . Q Mr. Channell, we were talking about the American  
712 Conservative Trust. During the last session of this  
713 deposition in the exhibit which Mr. Fryman put in the  
714 record, there was a document entitled the American  
715 Conservative Trust Freedom Fighters TV National Spot  
716 Program.  
717 . We discussed that document, and I would like to ask  
718 you to look at that document again, if you will, and see if  
719 that refreshes your recollection as to what the purpose of  
720 the American Conservative Trust television ad program in  
721 1986 was.  
722 . Does that refresh your memory as to what the  
723 purpose of the American Conservative Trust television ad

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724 program in 1986 was?

725 . A There was an educational program sponsored by NEPL  
726 during this time period. There was no American Conservative  
727 Trust program at the time. They just made a mistake, and  
728 we--

729 . Q If you will continue to turn the pages there, I  
730 think you will see the story boards for those ads which are  
731 contained in that document, and I--

732 . A These were all mistakes up here saying who the  
733 client was. The client was actually NEPL, which they later  
734 realized.

735 . Q How much later did they realize that?

736 . A Well, they realized that in late 1986, but they  
737 were getting paid from NEPL all the time for NEPL  
738 activities, of which this was one. And whoever typed this  
739 out--

740 . Q Do you recall those ads being run?

741 . A I am sure some of them were run.

742 . Q Do you recall the credit line on those ads being  
743 the American Conservative Trust?

744 . A It should not have been. It <sup>could not</sup> ~~could~~ have been. It  
745 would have been NEPL. There is no political activity here  
746 in these ads. These ads are all information and education.

747 . Q Why did Adam Goodman prepare a document for the  
748 American Conservative Trust showing the story boards with

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749 all the credit lines for the American Conservative Trust?  
750 . A Because he was confused.  
751 . Q But you did not correct his confusion after seeing  
752 that proposal in early 1986?  
753 . A Well, I think the ads--we corrected it, yes. The ad  
754 said MEPL. I don't know whether you have seen these ads or  
755 not, but I am sure they say MEPL. They are all educational  
756 and informational ads.  
757 . Yes, they are.  
758 . Q So it is your testimony that the ads that were run  
759 prior to the vote in 1986 were credited to the National  
760 Endowment for the Preservation of Liberty?  
761 . A That is where they should be. I didn't see  
762 everywhere they were run. They were paid for by MEPL. This  
763 was a MEPL program, which the ads show.  
764 . Q Was it designed to influence the vote of the  
765 Congress?  
766 . A It was designed to inform the American people about  
767 this point of view at a time when interest in this issue was  
768 rising.  
769 . Q Did you get an opinion from an attorney as to  
770 whether or not the National Endowment for the Preservation  
771 of Liberty collegially pay for these ads?  
772 . MS. MORRISON: Mr. Oliver, I don't think we ought  
773 to be exploring these contacts. Those are privileged

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774 communications.

775 . MR. OLIVER: If he wants to claim attorney-client  
776 privilege on that, he is free to do so.

777 . MS. MORRISON: Or if his counsel wants to claim  
778 attorney-client privilege. I will do so.

779 . MR. OLIVER: All right.

780 . BY MR. OLIVER:

781 . Q The document that we have been examining on the  
782 Robert Goodman Agency with the cover page, American  
783 Conservative Trust, Freedom Fighters program, national spot  
784 campaign.

785 . On the first page, it reads, the purpose of this  
786 national television campaign is to reach those voters across  
787 the country whose incumbent Congressmen have shown, by their  
788 voting record, a lack of resolve and firm commitment on the  
789 issue of helping the contras in Nicaragua.

790 . Specifically, a list of these Congressmen and their  
791 home television markets has been drafted on the basis of  
792 both their general voting record behavior and their position  
793 on three key votes on funding freedom fighters taken in the  
794 spring of 1985.

795 . By design, this national television spot campaign  
796 will begin approximately six weeks before the first vote on  
797 contra funding is taken in Congress, perhaps by the latter  
798 part of March.

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799 . And then it goes on to describe the size of the  
800 television buys and the gross rating points in each of the  
801 six weeks of this program. And then it says, "With  
802 approximately 1200 gross rating points, voters in these  
803 targeted television markets would see ACT's freedom fighter  
804 spots an average of 12 times over the course of the 6-week  
805 campaign. This will ensure that the message gets through to  
806 the voters and ultimately to the affected Congressmen  
807 themselves."

808 . Does that refresh your recollection about the  
809 purpose of this freedom fighters television campaign?

810 . A The purpose of our program was to build interest at  
811 a time when this issue was coming to the fore. We had an  
812 organization that we hoped we could use to affect the way  
813 Congressmen voted on this issue.

814 . We had--as you know, in our ads, we had no mention  
815 whatsoever of any bill, nor did we ask the people in these  
816 ads to do anything except to be informed. And this is all  
817 well within our IRS allowance to inform and educate the  
818 American people.

819 . When you make a television ad, the purpose in the  
820 ad is the one that <sup>is</sup> ~~had~~ going to have the impact, if any, and  
821 we had an organization called Sentinel where we were going  
822 to pointedly suggest that political action on a piece of  
823 legislation be taken either by Congressmen or citizens.

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824 . We ran these television ads, by the way, after the  
825 bill was defeated also. These ads did not stop just with  
826 the first defeat.  
827 . Q Did they stop with the second vote in June?  
828 . A They all stopped with the second vote, and then we  
829 produced one for election night.  
830 . Q For election night--which election?  
831 . A 1986. We had an informational ad on Nicaragua on  
832 election night.

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833 RPTS LYDA

834 DCMN DANIELS

835 [11:15 p.m.]

836 Q Was that designed to influence the election?

837 A No, it came on after the polls were closed. It was  
838 because everybody was watching television, we thought, we  
839 hoped, actually. It came on at 9:00 o'clock.

840 Q So these ads on the freedom fighters were run  
841 during the period up until the final vote had been taken on  
842 aid to the contras with the exception of one ad run on  
843 election night; correct?

844 A Off and on, that would be correct.

845 Q They were run in congressional districts that were  
846 provided to you by Rich Miller, Dan Kuykendall, and Penn  
847 Kemble?

848 A Somewhere. Most were run where our contributor  
849 wanted to see the ads.

850 Q That would be Austin, Texas and Hartford-New Haven;  
851 correct?

852 A Also Miami.

853 Q That was for the benefit of Mrs. Julius Pierce in  
854 Miami and Mrs. Barbara Newington in Connecticut?

855 A Right.

856 Q And in Austin, Texas, Mrs. Garwood?

857 A That is right.

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858 . Q But the others were run in targeted congressional  
859 districts that were based on the previous voting record of  
860 the Congressmen whose districts were affected by those media  
861 markets; correct?

862 . A Only partially correct. As I told you the other  
863 day, our decision to place the ads in the various media  
864 markets was based on a variety of information. The fact  
865 that these Congressman had been undecided from time to time  
866 on the Central America issue was definitely why we put the  
867 ads on the air, but by a long shot not the only reason.

868 . As you will note, if you compare both the list of  
869 Congressmen who qualified for that, there were many of them  
870 where we did not place ads at all.

871 . Q Did ATAC run ads in Maryland in 1986, the subject  
872 of which was Nicaragua?

873 . A No.

874 . Q What ads did ATAC run in Maryland in 1986?

875 . MS. MORRISON: The last question appeared to be  
876 irrelevant.

877 . BY MR. OLIVER:

878 . Q Were the ads run in Maryland related to Linda  
879 Chavez in any way?

880 . MS. MORRISON: That is irrelevant.

881 . BY MR. OLIVER:

882 . Q Did Linda Chavez assist you with your briefs at the

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883 White House in 1985 and 1986?

884 . A It was her office that gave our organization  
885 permission to have two briefings.

886 . Q Did Oliver North ever communicate to you a desire  
887 on the part of Linda Chavez to discontinue the ads that you  
888 were running in Maryland?

889 . MS. MORRISON: Same thing, it is irrelevant. The  
890 ads had nothing to do with Nicaragua.

891 . MR. OLIVER: I think Linda Chavez and Oliver North  
892 had lots to do with Nicaragua. Are you directing the  
893 witness not to answer the question?

894 . MS. MORRISON: Yes, insofar as it relates to ads  
895 that Mr. Channell had nothing to do with.

896 . BY MR. OLIVER:

897 . Q When did you first meet Linda Chavez?

898 . A I guess I met her in early 1986.

899 . Q What was the occasion of your meeting with Linda  
900 Chavez?

901 . A I was at some briefing at the White House.

902 . Q Did it relate to Nicaragua?

903 . A I don't remember that it did or didn't. She was in  
904 charge of Public Liaison at the White House. As I testified  
905 earlier, I was invited to at least five different types of  
906 briefings at the White House. I do recall seeing her at at  
907 least two Nicaragua briefings in Room 450 at some larger

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908 briefings. I don't know at which one, which one was the  
909 first one where I met her.

910 . Q Did she assist you with your briefings on Nicaragua  
911 for your contributors?

912 . A She may have introduced or welcomed us to the White  
913 House one or twice. That is all she would have ever done,  
914 as head of Public Liaison.

915 . Q Did you ever discuss with Linda Chavez her race for  
916 the Senate in Maryland in 1986?

917 . MS. MORRISON: Objection, irrelevant.

918 . MR. OLIVER: The relevance is that Linda Chavez was  
919 the Director of Public Liaison at the White House and  
920 facilitated the briefings for the contributors to Mr.  
921 Channell's organizations in 1986. I am trying to determine  
922 how that relationship related to moneys that were spent from  
923 those contributors, television ads related to Mrs. Chavez.

924 . MS. MORRISON: All of which has nothing to do with  
925 the contras.

926 . MR. OLIVER: I think the money that was raised  
927 after the White House briefings by the contributors who were  
928 briefed there related directly to Nicaragua. I think that  
929 has been well established.

930 . MS. MORRISON: We have discussed those briefings in  
931 detail.

932 . MR. OLIVER: I am talking about the relevance of my

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933 question.

934 . MS. MORRISON: Mr. Oliver, we don't see any  
935 relevance to what happened with respect to Mrs. Chavez  
936 unrelated to Nicaragua as being made relevant by the fact  
937 that she apparently appeared at a briefing or two to  
938 introduce the ultimate speaker on Nicaragua. It does not  
939 provide any relevance to subsequent contacts unrelated to  
940 Nicaragua that Mr. Channell may or may not have had with  
941 Mrs. Chavez or anybody else.

942 . BY MR. OLIVER:

943 . Q In 1985 and 1986, you were engaged in an effort to  
944 try to influence the congressional vote on Nicaragua; is  
945 that correct?

946 . A From time to time.

947 . Q Were you aware of the role that Congressman Mike  
948 Barnes played in the Congress that related to aid to the  
949 freedom fighters?

950 . A Well, I had an image that he was a major spokesman  
951 against that effort. I don't know everything he did, but--

952 . Q You knew that he was a central player in the effort  
953 to stop funding for the contras; is that correct?

954 . A Well, he was a very vocal critic, one of many.

955 . Q Did you know that he was Chairman of the  
956 Subcommittee on Latin America through which that legislation  
957 had to pass?

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958 . A I thought it was another committee. I didn't know  
959 that was it. I thought it was the committee on the Western  
960 Hemisphere or something.

961 . Q Well, that is the same thing, basically.

962 . A I really wasn't. It is the same thing?

963 . Q Yes. They change the names of these subcommittees  
964 from time to time and Congress to Congress, but you were  
965 aware that he was the chairman of a subcommittee that dealt  
966 with contra funding?

967 . A I am not sure I was aware that he was a chairman,  
968 but I knew he was an important member on a committee that  
969 was dealing with Latin America and possibly contra funding,  
970 yes.

971 . Q Was he the central focus of the ads that were run  
972 in the Washington, D.C. media market prior to the votes in  
973 1986?

974 . A No. Everything that we ran in Washington  
975 had--Washington, as you know, is the political center of the  
976 United States and all of the political press sits here and  
977 the political bureaucracy sits here, the President of the  
978 United States sits here. Our goal in putting on ads anytime  
979 in Washington, D.C. is to affect and impress and to inform  
980 and to become known to all of those groups.

981 . Q When we did our Sentinel ads focusing on  
982 Congressmen, one of the media markets was Washington, D.C.

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983 because Mike Barnes' congressional district is reached by  
984 Washington, D.C. media. So it would have been natural as  
985 one of the people we did Sentinel work on that we would have  
986 to put our ads in Washington to reach Mike Barnes'  
987 congressional district.

988 RPTS LYDA

989 DCMN DANIELS

990 . Q Was the purpose of those ads to reach Mike Barnes'  
991 congressional district?

992 . A The Sentinel ads were to reach Mike Barnes as well  
993 as again always in Washington we want to show everybody  
994 involved in politics what we were doing. It is a universal  
995 desire. everybody tries to do it. That is why last year, a  
996 week before the freedom fighter vote, there were eight  
997 different groups running ads in Washington, D.C., the  
998 largest number of groups running ads anywhere in the United  
999 States. They were all being run in Washington, D.C. It is  
1000 not a secret why you run the ads in Washington.

1001 . Q Was Mike Barnes the central focus of why you ran  
1002 the ads in Washington, D.C.?

1003 . A The Sentinel ad was, of course, directly relevant  
1004 to him. Our Sentinel ads called on him to reconsider his  
1005 vote and support the President's legislation.

1006 . Q Did he do that?

1007 . A No, regrettably, he did not.

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1008 . Q Did you run television ads in Maryland in 1986, the  
1009 purpose of which was to have an impact on the Mike Barnes  
1010 Senate race?

1011 . MS. MORRISON: Objection, for all the issues  
1012 stated.

1013 . MR. OLIVER: I think we have already established  
1014 that Mike Barnes was the object of television ads put on in  
1015 his district by Mr. Channell. We have already established  
1016 that he was a central figure in the Congress on aid to the  
1017 contras. I think that the question is quite relevant.

1018 . MS. MORRISON: We disagree. The political issues  
1019 that may or may not have been involved did not relate to the  
1020 contra funding.

1021 . MR. OLIVER: Counsel, if there was an effort by Mr.  
1022 Channell to make an example of Mr. Barnes by causing his  
1023 defeat because he was an opponent of freedom fighter aid, I  
1024 think it is quite relevant to this investigation.

1025 . MS. MORRISON: It doesn't have anything to do with  
1026 contra aid.

1027 . MR. OLIVER: I think Mike Barnes had a lot to do  
1028 with contra aid. that is well established.

1029 . MS. MORRISON: Why someone chose to support or not  
1030 support him in a political election which had nothing to do  
1031 with freedom fighter aid does not come within the scope of  
1032 this investigation.

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1033 . MR. OLIVER: I think that trying to expand money  
1034 contributed by individuals who were briefed at the White  
1035 House at the request of Mr. Channell's organization, and who  
1036 contributed money to assist the contras, both for weapons  
1037 and to influence the vote and in Congress, that those  
1038 individuals were also asked to contribute money to defeat  
1039 Mike Barnes because of his opposition to contra aid I think  
1040 that is perfectly relevant to this investigation.

1041 . MS. MORRISON: We disagree. Why someone chooses to  
1042 support or not support a political candidate is not relevant  
1043 to contra aid and how Mr. Channell was involved in assisting  
1044 the contras.

1045 . MR. OLIVER: It is relevant if the purpose of the  
1046 expenditures was because of the Congressman's opposition to  
1047 freedom fighter aid.

1048 . MS. MORRISON: We disagree.

1049 . MR. OLIVER: Are you directing the witness not to  
1050 answer?

1051 . MS. MORRISON: I am.

1052 . MR. OLIVER: I will ask the questions on the record  
1053 and you may direct the witness not to answer. but I would  
1054 like to lay what I believe is a foundation for the relevance  
1055 of Mike Barnes to this investigation.

1056 . BY MR. OLIVER:

1057 . Q Mr. Channell, did the subcontractors referred to

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1058 earlier in your letter to Mr. Miller conduct activities on  
1059 your behalf designed to influence he vote in Congress?

1060 . A Will you restate that?

1061 . Q Were the subcontractors that you referred to in the  
1062 earlier letter to Mr. Miller, specifically Mr. Lichtenstein,  
1063 Mrs. Fraser, Mr. Kemble, Mr. Cameron, and Mr. Kuykendall,  
1064 were their activities carried out on your behalf designed to  
1065 influence the vote in Congress in 1986 on aid to the freedom  
1066 fighters?

1067 . A Some of those people, all of those people at one  
1068 time worked on the information program. Later on, some of  
1069 those people worked on a lobbying program. So we would have  
1070 to take each one of them, I think.

1071 . Q My question is whether or not their activities on  
1072 your behalf were designed to influence the vote in Congress?

1073 . A If they were working with Sentinel of course, and if  
1074 they were working with the NEPL information ads, they were  
1075 working on an information program.

1076 . Q Was Jack Lichtenstein paid by Sentinel?

1077 . A I don't know.

1078 . Q Were Jack Lichtenstein's activities on your behalf  
1079 designed to influence the vote in the Congress?

1080 . A He had a program to get people to write their  
1081 Congressmen on the issue of Nicaragua and to support the  
1082 President on Nicaragua. I don't know exactly how many

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1083 letters or I cannot remember exactly what the letters said.  
1084 I know that we had hired him to make an impact to tell the  
1085 Congressmen what people felt, but I don't know whether that  
1086 was saying to vote for an issue or to support the President.  
1087 I can't exactly remember how the letters were  
1088 written.

1089 Q In the exhibit entered by Mr. Fryman at an earlier  
1090 time, there is a memorandum to you from Jack Lichtenstein,  
1091 the subject of which is congressional surveys on contra aid  
1092 vote, dated May 3, 1986. I will ask you to examine that  
1093 letter.

1094 A I requested that.

1095 Q Will you tell me whether or not that refreshes your  
1096 recollection as to whether or not Mr. Lichtenstein's  
1097 activities were designed to influence the vote on contra aid  
1098 in the Congress.

1099 A This would indicate, again I don't know exactly  
1100 what letters he is referring to, that some of these people  
1101 were trying to support the President's view.

1102 AS I say, I would need to see the letters. I don't  
1103 remember whether NEPL paid him or Sentinel paid him.

1104 Q Were the ads that were paid for by PRODEMCA through  
1105 a grant from your organization designed to influence the  
1106 contra vote in the Congress?

1107 A I can't remember what that ad said. The one thing

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1108 I can remember is that Mr. Kemble wanted to publish his  
1109 group's view on the freedom fighter aid discussion. He  
1110 wanted to get this out.

1111 . You would have to ask him whether he felt that that  
1112 was going to. I don't recall frankly that he mentioned in  
1113 the ad the Congressmen. You would have to ask him. I don't  
1114 think that is what it was for.

1115 . Our support was based upon the fact that they  
1116 wanted to come out and say they supported the President and  
1117 this was very unusual for them.

1118 . I don't know the total history of the group either,  
1119 but there were lots of people who had never spoken before on  
1120 this issue and they wanted to speak to this issue of the  
1121 President's position on Nicaragua.

1122 . I am sorry, I cannot remember. It was a very long  
1123 ad, and I can't remember exactly what it said.

1124 . Q Do you remember the ad being run the day of or the  
1125 day before the vote on contra aid?

1126 . A I don't remember when it was run. I thought it was  
1127 actually run much earlier than that, but--I don't recall  
1128 that. I remember Mr. Kemble talking about all the people  
1129 who were going to see this message. That was a very  
1130 important thing to him, to have all these people sign the  
1131 message.

1132 . Q Why would you give him a grant to convey this

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1133 message through a television ad? Why didn't you just do it  
1134 yourself?

1135 . A I am sorry, you will have to ask that again. I  
1136 didn't get what you said.

1137 . Q Why would you give Mr. Kenble money to run  
1138 television ads to convey this? Why wouldn't you do it  
1139 yourself?

1140 . A He didn't run television ads.

1141 . Q Newspaper ads.

1142 . A He represented part of what I was hoping would  
1143 become a bipartisan support for the President, on these  
1144 issues. He obviously represented a group of people who had  
1145 heretofore not made themselves known on this issue.

1146 . Again, I don't follow what his group does, but they  
1147 certainly were not people that I was dealing with or had the  
1148 opportunity to meet.

1149 . By publishing his ads, we were continuing to  
1150 broaden the base of support for the President. I do believe  
1151 that many of the people who worked with him are Democrats  
1152 and that would indeed help us broaden the base of support.

1153 . MR. OLIVER: We have a select committee meeting in  
1154 15 minutes. I don't think there is any need to ask any  
1155 further questions and I don't have any further questions.

1156 . Mr. Buck, if you can finish your questions in 10 or  
1157 15 minutes, we can proceed now.

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1158 . MR. BUCK: Off the record.  
1159 . [Discussion off the record.]  
1160 . MR. BUCK: On the record.  
1161 . EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE  
1162 . BY MR. BUCK:  
1163 . Q Mr. Channell, I have a transcript of an interview  
1164 between Ted Koppel and Jane McLaughlin and I want to ask  
1165 your opinion on it.  
1166 . 'Koppel: Miss McLaughlin, which came first, the  
1167 chicken or the egg? Did the White House come to Carl  
1168 Channell and say, 'We are in deep trouble here, we need  
1169 money to be raised,' or did Channell go to the White House  
1170 and said, 'Hey, we are in trouble; you can raise money?''  
1171 . She answered: 'I don't know which came first. I  
1172 joined the organization in 1986.'  
1173 . Can you tell me which came first?  
1174 . A Neither.  
1175 . Q Why don't you explain that.  
1176 . A Very quickly, I called the White House in March of  
1177 1985 and asked the only person I knew at the White House,  
1178 his assistant in the political department, if there was  
1179 anything that my little new organization could do to help  
1180 the President on the issue with the freedom fighters in  
1181 Nicaragua.  
1182 . We never mentioned money because I had no idea

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1183 what, if anything, could be done or if the White House was  
1184 welcoming the support or if the White House cared about me  
1185 or wanted any group outside the White House to do anything  
1186 at all.

1187 . I was totally ignorant of what the White House  
1188 strategy and goals were. I called simply to find out if  
1189 they were going to need support, what type of support that  
1190 might be.

1191 . So there was no chicken or egg. We were discussing  
1192 vegetables.

1193 . Q Is it fair to say that you made the first contact  
1194 offering your services and the relationship built from  
1195 there?

1196 . A Yes.

1197 . Q Grew, if I may say so?

1198 . A Yes.

1199 . Q You mentioned before that, before today, that eight  
1200 groups were running ads in Washington, D.C. before the  
1201 contra vote. were all those groups in favor of aid to the  
1202 contras?

1203 . A Yes. There may have been many more around the  
1204 country, but I would not have known.

1205 . Q Could you briefly explain your knowledge of the  
1206 groups in the country that were running ads or were raising  
1207 funds to support the Sandinista Government or Communist

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1208 rebels in Central America?

1209 . A I truly don't recall the names of these groups. I  
1210 really haven't looked at this for six or eight months. I  
1211 read our report once which listed a lot of them, but I have  
1212 not even figured out whether the groups that I have read  
1213 about that were doing certain lobbying were involved in the  
1214 television ads. I would have to go back and check that and  
1215 check with some other people to find out which groups were  
1216 doing this.

1217 . Q You were aware of groups that were raising funds in  
1218 opposition to the efforts you were raising funds for, were  
1219 you not?

1220 . A On a general-purpose theme, absolutely, sure.

1221 . Q Would you say that Colonel North's role in your  
1222 fund-raising scheme was one of informed, informer or a  
1223 solicitor or something else?

1224 . A Well, Colonel North, of course, led some of the  
1225 briefings. He did inform people of what was going on far  
1226 beyond my knowledge, of course. He discussed with various  
1227 contributors the needs of the freedom fighters. In some  
1228 respects, I didn't know about these needs until we had met  
1229 with him. So he had multiple roles in which he acted.

1230 . Q Could you briefly list those multiple roles?

1231 . A Well, he also acted as a spokesman for the White  
1232 House's temperament, on what the White House felt about what

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1233 the Communists were doing in Central America. That would  
1234 cover at least three major approaches that he would have.  
1235 . He may have done something else with others  
1236 because, as we all know, he said that he briefed 100-some  
1237 groups last year. He met with our group just three times  
1238 and met with our people only eight or ten times privately.  
1239 . So we have 100-some other meetings where he  
1240 briefed. So I don't know what else he did.  
1241 . Q In your scheme of things, was he a fund-raiser?  
1242 . A To the degree that the President of the United  
1243 States is an inspiration, he indeed was an inspiration. You  
1244 are asking a question that really requires either an  
1245 extremely specific answer, "Yes, this is how he raised the  
1246 money," or a very general answer about how he used his role  
1247 to encourage us, to encourage me to continue to work, to  
1248 encourage our people, to continue to have confidence in what  
1249 we were doing and, therefore, give money.  
1250 . That is just a very difficult question. As he did  
1251 say on innumerable occasions to at least six or eight  
1252 contributors, "As you know, I cannot ask for money." At  
1253 the end of several meetings when he would leave, he would  
1254 say, "As you know, I cannot ask you for money."  
1255 . Q As a fundraiser, Mr. Channell, how do you measure  
1256 success?  
1257 . A Terry Dolan once said to me, "Spitz, you are as

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1258 good as your last fund-raising success and that better have  
1259 been 10 minutes ago.''

1260 . That is one criterion, of course. A general who  
1261 has not won any battles is not considered a very good  
1262 general.

1263 . In the fund-raising profession, you have to create  
1264 a program that will, through your efforts, create interest  
1265 and a mechanism where this interest can result in at least  
1266 ongoing support for the project you wish to realize.

1267 . I have felt that the support for certain issues  
1268 requires the raising of a certain amount of money if the  
1269 program is large enough and if I come close to raising that  
1270 amount of money in support of a program which I have  
1271 conceived which will help--recently we have supported  
1272 programs that the President has been very vocal about  
1273 supporting, if we are able to help him with his policies in  
1274 a way that he is very proud of what we have done, I have  
1275 considered that a success.

1276 . In some instances, we have been able to raise  
1277 \$80,000 to \$100,000 for 2 or 3 targeted messages in support  
1278 of what he has done. that is not much money, but that was  
1279 our goal and we have executed that with the type of  
1280 excellence that I felt is worthy of these peoples'  
1281 contributions. I consider that a success.

1282 . On the other hand, I believe that an effort like

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1283 the freedom fighter educational television messages required  
1284 expenditures of over \$70 million a year to educate the  
1285 American people. We did not touch the surface of that in  
1286 our short program.

1287 . So what we did was to some degree successful, but  
1288 the need to educate the American people about what communism  
1289 is doing in Latin America and what its goals are regarding  
1290 us requires a vast amount of money that I have not been able  
1291 to begin to raise.

1292 . Q Generically, for fund-raising organizations, what  
1293 is the bottom line measure of success?

1294 . A The reason why I hesitate in answering that is  
1295 because so many fund-raising aspects of organizations allow  
1296 failure to be acceptable.

1297 . As you know, none of my organizations have ever  
1298 gone into debt. We have told people that we would not go  
1299 into debt under any circumstances. If the support for our  
1300 efforts was not there, we would not go into debt. That is  
1301 one of my measures of success.

1302 . People can go out to certain direct-mail firms and  
1303 borrow millions of dollars and get letters and get \$50,000  
1304 back and call it a success. I do not.

1305 . Raising enough money to make the sources feel that  
1306 they have had some type of impact on their goal is probably  
1307 the measure of success.

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1308 . I am not trying to be obtuse about this. I am  
1309 saying I don't have <sup>all</sup> the fund-raisers of the United States  
1310 behind me to answer that question. But I can only tell you  
1311 about my own organizations.

1312 . Q Did you hire Mr. Conrad for his knowledge of the  
1313 politics surrounding the issues that you were concerned  
1314 about?

1315 . A No.

1316 . Q Did you hire him for his fund-raising knowledge?

1317 . A I hired him for what we call institutional and  
1318 administrative fund-raising abilities; that is an aspect of  
1319 fund-raising I feel I have no expertise <sup>about</sup> at all and I  
1320 desperately needed to learn.

1321 . As you know, he has worked just with institutions  
1322 in fund-raising whereas I have never worked with an  
1323 institution.

1324 . Q Did you make elaborate efforts to conceal your fund-  
1325 raising activities?

1326 . A No. Every time I have ever done something in my  
1327 organizations, I have as many press conferences as I was  
1328 allowed to have. The press, of course, never showed up.

1329 . I have mailed the results of our programs and any  
1330 letter the President of the United States has been kind  
1331 enough to send me, mailed to thousands of people and told  
1332 them of the success we have been making on particular

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1333 projects.

1334 . The act of concealment has frankly not entered my  
1335 mind.

1336 . Q It seems to me that is a contradiction in terms to  
1337 be able to conceal the activities. Isn't it the point of  
1338 the fund-raising activities to publicize?

1339 . A That is one purpose, yes. Let's say you were going  
1340 to raise money to buy Harvard University a new medical  
1341 building and you have ten people you are going to see. The  
1342 purpose of that is not to publicize. It is simply to find  
1343 the right people and go talk to them.

1344 . When you have a public education campaign the idea  
1345 is to get more and more people informed and enthusiastic and  
1346 maybe they will help.

1347 . There are varieties of purposes. Almost every  
1348 political organization I know of in Washington has at one  
1349 time or another had a fund-raising project to build a  
1350 building. But that is not a nationally recognized issue.  
1351 They normally go to their top donors and have a dinner and  
1352 ask for major capital donation. That is not publicized, but  
1353 it is an important fund-raising activity.

1354 . Q In the media there were some reports that there  
1355 were sinister motives behind the Toys account. Would you  
1356 explain the ambiguity of the stakes that surrounded the Toys  
1357 account?

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1358 . A The Toys account, which <sup>was</sup> inaccurately, the Toys  
 1359 was not an account, it was a ledger, inaccurately placed  
 1360 some contributions under its heading, was considered by some  
 1361 members of our staff as to be an exciting, romantic, secret  
 1362 account just for military hardware.

1363 . The origin of this account is one where I was  
 1364 trying to raise a certain amount of money specifically for  
 1365 Adolfo Calero's refugee families. We were trying to  
 1366 segregate all that money for him in one place, not to be  
 1367 mixed in any other part of our foundation activities.

1368 . After that fund-raising event passed, I then  
 1369 decided I would use that ledger for other special projects  
 1370 where I did not want general contributions to NEPL  
 1371 commingled with these special projects.

1372 . It did not work out that way. That was the <sup>real</sup> idea.  
 1373 There were some fund-raisers who thought this was a very  
 1374 exciting ledger entry and made up incredible tales about it.

1375 . Q Did Colonel North ask you to refer to him as Green?

1376 . A No.

1377 . Q By referring to Colonel North as Green, who were  
 1378 you trying to hid his name from, if you were?

1379 . A I was not trying to hide his name. I never  
 1380 instructed my staff to hide his name from anybody. We were  
 1381 introduced to him in conversation long before we met him as  
 1382 Green. I think there were other nicknames that people had

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1383 for him.

1384 . Nicknames were picked up by people. That was part  
1385 of the excitement of our people calling him Green. In some  
1386 letters received from contributors, he was referred to as  
1387 Colonel North and Green and our special person or whatever.  
1388 It was never sinister. It was for a lot of people just fun  
1389 and part of the hype of this issue.

1390 . Q Similar to the Toys account again?

1391 . A Not nearly as premeditated. To this day, I have no  
1392 idea why he was nicknamed Green. I have never been told. I  
1393 thought it was sort of crazy to begin with so I never asked.

1394 . Q Did you send money to IBC, Incorporated, I mean  
1395 MEPL and your organizations, so that the money could not be  
1396 traced?

1397 . A No. We had planned to have a report from IBC at  
1398 the end of 1986 encompassing our activities in late 1985 and  
1399 1986 where all of the money was to be laid out and what it  
1400 went to. I was unaware that some of this money was going to  
1401 secret accounts, for instance, in Switzerland. I did not  
1402 know that. Only after this crisis developed was I informed  
1403 that when I got our report at the end of the year I would  
1404 notice that some of this money went out of the country to  
1405 accounts in Switzerland which I had never been told of  
1406 before.

1407 . Q You mentioned earlier that you had talked with Mr.

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1408 Dolan about having MCPAC personalized around an individual  
1409 as a fund-raising technique or something to do with a fund-  
1410 raising organization. I am wondering whether you considered  
1411 personalizing NEPL around an individual and if so, what  
1412 individual and why?

1413 . A I really had not thought about that.

1414 . Q How about the Central American Freedom program?

1415 . A No.

1416 . Q What was the purpose of receiving a letter from  
1417 Adolfo Calero recognizing your organization or a letter from  
1418 Oliver North or a letter from Ronald Reagan thanking your  
1419 organization for its efforts?

1420 . A Just that. When we received these appreciations,  
1421 we would send them on immediately to all of the people who  
1422 had been helpful. I have always believed that one of the  
1423 major problems with fund-raising in the United States is  
1424 that someone will receive a grant from somebody and  
1425 immediately forget them and say, 'We have gotten money from  
1426 that person, let's go on to the next person.' I have never  
1427 believed in that.

1428 . So I have been meticulous in soliciting thank-you  
1429 letters from everyone who has been affected by any work we  
1430 have ever done so you will see in our files a large number  
1431 of thank-you letters from persons and organizations who we  
1432 have had the ability to help.

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1433 . Q So sending those letters on to your contributors is  
 1434 a way for you to show your appreciation and the other  
 1435 individual's appreciation and not a way to solicit more  
 1436 funds in the future from those individuals?

1437 . A No. The letters were to show the people how much  
 1438 we appreciated what they had just done.

1439 . Q What was the purpose of the White House briefings  
 1440 that were held?

1441 . A Well, we wanted to inform our contributors at the  
 1442 highest level possible, highest level meaning most  
 1443 important, and the White House was conducting these  
 1444 briefings so we tried to plug into that and be allowed to  
 1445 bring our organization in to be briefed as they were  
 1446 briefing everybody else in America who asked.

1447 . Q This was my next question. I was wondering whether  
 1448 your groups were unique in receiving White House briefings.

1449 . Q No. I know Oliver North told me twice he was  
 1450 briefing the ~~National Conservative Policy Group~~ *Council on National Policy*, a very  
 1451 conservative organization, and he briefed the ~~women~~ *W* of the  
 1452 Methodist Church and then he went on to brief 112 groups *that year*  
 1453 I don't know *even* 12. They might be at the opposite end of the  
 1454 ideological spectrum.

1455 . Q What was the purpose of the briefing with Colonel  
 1456 North?

1457 . A The people would want to know various aspects of

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1458 the freedom fighter aspects in Nicaragua that he would not  
1459 cover in public briefings.

1460 . Normally, in fact almost all the time, the public  
1461 briefings were at a time when he was hemmed in with other  
1462 meetings and he would come in and have the public briefings  
1463 and then just disappear. So there was not much time to ask  
1464 individual questions or develop much interest in any aspects  
1465 of this issue.

1466 . So what I tried to do if we could was from time to  
1467 time schedule a private meeting with these people so they  
1468 could be informed much more about what was going on if  
1469 possible.

1470 . Q What was the purpose of the private meetings with  
1471 President Reagan?

1472 . A The President took the opportunity to thank--I  
1473 assume you mean, ~~with~~ my contributors.

1474 . Q Yes, I did.

1475 . A Because I never had a private meeting with him. It  
1476 was to thank these people for their support, both of him in  
1477 general and sometimes specifically for the freedom fighter  
1478 ~~move~~. That is what I have been told by people who did get a  
1479 chance to have a private meeting.

1480 . Q How did the President become aware that these  
1481 individuals were supporting the President or the freedom  
1482 fighter program?

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1483 . A It is my understanding that David Fischer would  
1484 write some sort of memo briefing the people at the White  
1485 House, whoever he had to inform, about the activities and  
1486 the congressional term support of these people for Ronald  
1487 Reagan and that memo would be passed to whatever authorities  
1488 needed to see it.

1489 . On six or eight occasions, Mr. Fischer asked me  
1490 such questions as how long have these people been supporting  
1491 President Reagan, did they support him when he was governor,  
1492 did they support him in his '76 race for President, his '84  
1493 race for President, have they contributed to any  
1494 organizations which he has asked for money from.

1495 . It was an entire range of pro-Reagan activities,  
1496 including ours. I don't know of anybody who was thanked by  
1497 the President solely because of a single act that person had  
1498 done on our behalf.

1499 . Q In any conversations that you have with the  
1500 President, and I believe you had at least one.

1501 . A He called me. The only time I talked with him  
1502 alone was when he called me.

1503 . Q Did you ever mention you were raising funds to  
1504 purchase weapons for the contras?

1505 . A No.

1506 . Q What was the purpose of having a list of big-ticket  
1507 items or mentioning big-ticket items to contributors?

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1508 . A Well, the two times that this was used by Colonel  
 1509 North, I guess was to make sure that he remembered what he  
 1510 wanted to say and also to be able to break down the total  
 1511 amount of the budget for people. I never had a list.

1512 . Q Did you discuss big-ticket items with Colonel  
 1513 North?

1514 . Q No. Dan Conrad is the only person who did that. I  
 1515 don't think he <sup>after</sup> did either. I think what he asked Colonel  
 1516 North to do when we went to Texas was to create a budget of  
 1517 \$5 million and I don't think Dan Conrad talked to Colonel  
 1518 North about what would be.

1519 . A I think he simply suggested when he went to Texas  
 1520 he take with him the \$5 million budget.

1521 . Q Is there a fund-raising purpose behind asking a  
 1522 contributor for a specific item.

1523 . A Yes. Many contributors like to give something that  
 1524 is unique or special or something that they can look at and  
 1525 say, at least in their hearts, I gave this. It is part of  
 1526 human nature. Therefore, you will see names of people on  
 1527 hospital buildings, brass <sup>plaques</sup> ~~plates~~ on dialysis machines. *etc.*

1528 . Almost every government building in the city is  
 1529 named for a person. It is part of our particular psychology  
 1530 as a people. It doesn't occur very often in Europe.

1531 . Q The individual you are raising money from, was  
 1532 there a fund-raising purpose of discussing weapons with

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1533 these people rather than humanitarian aid or foods?

1534 . A We discussed all these things from time to time.

1535 . Q Was there a specific purpose for including weapons

1536 in those discussions?

1537 . A Some of these people were very interested in the

1538 hardware component of aid to the freedom fighters,

1539 definitely.

1540 . Q In your opinion, would some people not have given

1541 money for humanitarian aid but only for weapons?

1542 . A I truly don't know. The reason why I am hesitant

1543 to make a decisive answer on that is because these people

1544 gave in general because they supported Ronald Reagan's

1545 effort, tremendously, to stop communism in Latin America.

1546 . If the question were put: "If you can't give to

1547 weaponry for Ronald Reagan's goals, would you give

1548 humanitarian aid for Ronald Reagan's goals?" I think they

1549 would have said yes, because I think they all did. They

1550 were really supporting President Reagan's policies.

1551 This is what brought them together to begin with. They

1552 were all very strong supporters of the President.

1553 . Q Did you tell any contributors that if they gave a

1554 large contribution to any of your organizations they could

1555 meet with the President?

1556 . A No. What I did say to Bill O'Boyle was that if he

1557 was able to give more money that we would request that he be

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1558 able to be thanked by the President of the United States in  
1559 the future. We had several potential thank-you minutes, if  
1560 you want to call them that, which the President turned down.

1561 I had no idea how these things were arranged, the  
1562 mechanism of it, so I ~~don't~~ <sup>didn't</sup> know at one time or another  
1563 whether we would ever get anybody else to see the President.

1564 If you would promise that, that would be a very  
1565 dangerous thing to do because you were not in control and it  
1566 was totally unreliable.

1567 Q Did you ever tell Mr. O'Boyle that he had to  
1568 contribute money for weapons in order to meet the President?

1569 A No.

1570 Q Did you ever tell any contributor that?

1571 A No.

1572 Q In your mind, was there ever a relationship between  
1573 how much a contributor gave to you and their opportunity to  
1574 meet with the President?

1575 A We have discussed previously that some people gave  
1576 well under \$100,000 and were thanked by the President. Some  
1577 people gave well over \$1 million and were thanked by the  
1578 President. So it is a whole range. I would like to have <sup>had</sup>  
1579 all my contributors ~~to be~~ thanked by the President.

1580 Q Why is that?

1581 A Because they have helped his policy <sup>is</sup> become a  
1582 success and his policy is very good for the future in this

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1583 country in trying to stop the growth of communism in Latin  
1584 America. Many people sacrificed to give money <sup>but</sup> and could not  
1585 give very much.

1586 . One of the reasons why our group meeting with the  
1587 White House was so important was because I could invite many  
1588 people <sup>to</sup> in that meeting who could probably not see the  
1589 President under other circumstances because they could not  
1590 give very much. We had several people who were not able to  
1591 give large amounts of money, but who had sacrificed  
1592 tremendously for the President. I was delighted that we  
1593 were able to have them <sup>there</sup> also.

1594 . Q Is it fair to say that in your opinion no one at  
1595 the White House was under the impression that individuals  
1596 had to give you a certain amount of money before you would  
1597 request an opportunity for them to meet with the President?

1598 . A Since I didn't have anything to do with the  
1599 request, I don't know what occurred. Sorry, I had nothing  
1600 to do with that. I was never in the White House when any of  
1601 these meetings took place.

1602 . Q What was your reason for hiring IBC?

1603 . A I was told by my friend at the White House that  
1604 this company was the in-depth expert in the field of the  
1605 Nicaragua issue and if I really wanted to learn about this  
1606 issue, I should go and talk with these people, and <sup>he was</sup> they were  
1607 right.

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1608 . Q I would like to talk to you a little bit about  
1609 division of responsibilities within your organization. I  
1610 think I have studied your organization for a few months now  
1611 and I can't figure out what all the jobs these people did. I  
1612 guess you can understand that.

1613 . A Actually, I can't, but we will solve that.

1614 . Q First of all, what was your job?

1615 . A I was the head of the organization. I guided the  
1616 policy, created the policy. I raised eight of every ten  
1617 dollars. I was in charge of frankly creating the programs,  
1618 moving the programs as far as raising the funds for them.  
1619 That is all that I did. I had Dan Conrad hired as the  
1620 administrator to hire and fire everybody, to govern the  
1621 administrative activities of all our organizations and  
1622 support staff.

1623 . In fact, I was told by Dan Conrad many, many times,  
1624 "Please stay out of all the administration. I am in charge  
1625 of all of it."

1626 . Q Mr. Miller?

1627 . A He was just a consultant, a hired consultant.

1628 . Q What sort of responsibilities did he have as a  
1629 consultant? What areas?

1630 . A As a program consultant, I would create the  
1631 concept, create the goal and when I dealt with him as a  
1632 consultant, he would help me put together the guts.

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1633 intestines, the body of the program.

1634 . Q In determining what you paid consultants, is it  
1635 fair to say it was an arms' length business deal and there  
1636 was nothing else involved in determining that amount of  
1637 money?

1638 . A We always asked them how much they charged for what  
1639 we needed done.

1640 . Q Did you always pay that price? Was negotiation  
1641 involved?

1642 . A Sometimes we negotiated and sometimes we paid more  
1643 because the programs would grow. It is not at all unusual  
1644 when you hire consultants that it is not so much that things  
1645 may get out of hand, but the projects may grow tremendously  
1646 and things may go up.

1647 . Q Did you feel you got your moneys worth with Mr.  
1648 Fischer and Mr. Artiano?

1649 . A Well, I can't remember how much they received, but  
1650 I do think that they were, at least Mr. Fischer was  
1651 extremely helpful in a variety of ways with a variety of our  
1652 programs. A lot of the money we paid him, of course, was  
1653 beginning to invest in programs which have not been carried  
1654 out which he did a great deal of ground work for which have  
1655 been truncated.

1656 . In that respect, he was doing his thing and we had  
1657 to stop.

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1658 . For instance, he was working almost daily on the  
1659 creation of our Constitution project. It never got off the  
1660 ground because we were stopped from doing it.

1661 . We had begun to discuss the types of activities  
1662 that he would be engaged in in January of 1986. That was  
1663 something he was working on simultaneously with activity on  
1664 Nicaragua. He worked on this actually off and on.

1665 . I was talking to him every week about activities on  
1666 the Constitution project for ten months and we never got to  
1667 carry it out.

1668 . Q Did you solicit money for MEFL by telling potential  
1669 contributors that the money would be used to purchase  
1670 weapons?

1671 . A I was not involved in that. What I was involved  
1672 with was fulfilling some of the goals that Colonel North had  
1673 said these people needed. I mean Colonel North was the  
1674 person who would lay out what the freedom fighters needed.  
1675 I would say to them, do you want to help with this, we would  
1676 like your help with this, we would like you to give as much  
1677 as you can to this.

1678 . Q My question was, was there a connection between the  
1679 money they gave and what was ultimately purchased? Was  
1680 there a representation as to that connection?

1681 . A I think that in several cases--well, you see, we  
1682 were discussing such a variety of needs, I am not exactly

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1683 | sure what is in the minds of the contributor because I don't  
 1684 | have any letters or anything from contributors saying, "We  
 1685 | gave precisely to this."  
 1686 |     Q     But I am asking what you represented.  
 1687 |     A     It was always a variety of things. We asked for a  
 1688 | budget which would include a variety of things. Of course,  
 1689 | nobody ever gave that amount either. So when they were  
 1690 | thinking about what they were giving to, they obviously  
 1691 | thought about things they decided not to give to. Sometimes  
 1692 | contributors would say to me that they didn't care if it  
 1693 | went to weapons or not or they hoped it would go to so-and-  
 1694 | so and so-and so.  
 1695 |             So, then I, of course, would give the money to Rich  
 1696 | Miller and we were going to find out later <sup>in 1976</sup> ~~on~~ exactly what  
 1697 | it went for.  
 1698 |             But we rarely, if ever, went to any contributor  
 1699 | with a one-item deal <sup>for food in July-October 2, 1986,</sup> and asked them to give just to that.  
 1700 |     Q     In April 1986, you went to Ellen Garwood.  
 1701 |     A     She came here.  
 1702 |     Q     Right. You met Ellen Garwood and asked her to  
 1703 | contribute money for weapons; is that true?  
 1704 |     A     The list Colonel North had included weapons. I  
 1705 | think it also included several hundred thousand dollars in  
 1706 | food and supplies. It was a list of eight to ten items.  
 1707 |     Q     You asked her to contribute money for what was on

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1708 that list; is that correct?

1709 . A Whatever the total amount was, I asked her if she

1710 would give the total amount. And she did not.

1711 . Q Did you ever ask a contributor to donate money to

1712 your organizations for the purpose of purchasing military

1713 weapons?

1714 . A Some parts of those budgets would include military

1715 weapons. I thought you meant specifically one item. The

1716 list did include military hardware.

1717 . Q There were individuals other than Ellen Garwood who

1718 contributed money for weapons?

1719 . A Yes, hoping it would go to that.

1720 . Q Did you believe, did you have any basis to believe

1721 that their money would ultimately be used to purchase

1722 weapons?

1723 . A I did not know because I never had any feedback

1724 that it ever did happen.

1725 . Q Do you have any knowledge whether Colonel North

1726 knew MEPL was a tax-exempt organization?

1727 . A I am sure he had to.

1728 . Q How are you sure?

1729 . A To my knowledge, he saw our Central American

1730 freedom program, the documents we had, he spoke at our

1731 Central American Freedom Program briefings. We always had

1732 the blue document and in the blue document, it mentions that

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1733 NEPL is a 501(c)(3) organization.

1734 . I don't know whether this is relavant or not. but  
1735 it was revealed in the Tower Commission Report that he  
1736 wanted to create an organization like NEPL and listed all  
1737 the things he wanted that organization to do, which he  
1738 specifically said was a tax-exempt organization.

1739 . Q Was Colonel North ever present when you solicited  
1740 money from an individual?

1741 . A I don't recall that he was. He would always leave  
1742 before I did that.

1743 . Q Did Colonel North know what organization the money  
1744 was being contributed to, which of your organizations the  
1745 money was being contributed to?

1746 . A I assume he did.

1747 . Q What is the basis for that assumption?

1748 . A We only dealt with him in regard to one  
1749 organization.

1750 . Q Which was?

1751 . A NEPL, from beginning to end. He only spoke at NEPL  
1752 events.

1753 . Q Of your organizations?

1754 . A Yes.

1755 . Q Did Colonel North ever direct you to accept a  
1756 contribution for a specific entity?

1757 . A No.

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1758 Q Did you ever direct Colonel North to purchase  
1759 specific military equipment with any of the contributions?  
1760 A No. I would like to add that I was totally unaware  
1761 that Colonel North was doing that until after this crisis  
1762 developed and I was informed that, I was told that when we  
1763 got our annual report--again remember this crisis occurred in  
1764 early December and I had planned throughout that year in the  
1765 next year we would have a report to send to the whole world  
1766 because we were so proud of what we had done.

1767 I was informed in late December or early January <sup>that</sup>  
1768 when I got my report of where all the money had gone that  
1769 there would be a statement in that report saying that Rich  
1770 Miller had been directed by Colonel North to send a lot of  
1771 this money to places listed below. That was the first time  
1772 I even knew that that relationship was going on.

1773 So when you ask me did I direct Colonel North to  
1774 spend the money for something, I was never aware that he  
1775 was.

1776 Q And you never knew that military items were being  
1777 purchased with this money?

1778 A I never had any proof of it. Adolfo Calero had  
1779 said to at least two of our meetings, when you give money  
1780 for humanitarian aid, that releases money that we have to  
1781 spend on weapons. Several people mentioned this to me.  
1782 They said, well, we are giving aid, so he will have the

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1783 money from other places to buy weapons, so it is the  
1784 equivalent of helping them with weapons.

1785 Since I had no proof that any of our money was  
1786 spent on money and since Adolfo made this statement several  
1787 times to our people, I thought this money was going to  
1788 supplant other money.

1789 I was unaware that Colonel North did have an immediate,  
1790 direct relationship with our checks to IBC that I later came  
1791 to be informed of.

1792 Q Were you planning to send the report Rich Miller  
1793 was going to provide to Ellen Garwood?

1794 A Everybody on earth. We were going to have a big  
1795 press meeting in January.

1796 Q This is contributors?

1797 A Oh, yes.

1798 Q Did you feel they would be disappointed in learning  
1799 their money was not going to be used to purchase weapons?

1800 A No.

1801 Q Why

1802 A I thought when the report came out part of the  
1803 information would be you gave to this and that allowed  
1804 Adolfo to do this and therefore we have done everything.  
1805 Most of these people were aware of what Jack Singlaub was  
1806 doing which I think was only weaponry for the freedom  
1807 fighters from outside the country.

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1808 . There had been many discussions about buying  
1809 weapons outside the country with foreign money, that that is  
1810 how you could do it.

1811 Q What was your concern about contributing money for  
1812 the purchase of weapons inside the country?

1813 A What was my concern about that? I didn't say there  
1814 was a concern about that. I said my contributors were aware  
1815 because Adolfo mentioned several times that he used money he  
1816 got from foreign sources to buy weapons around the world.

1817 Q You said you could use money from foreign sources.

1818 A That is what Adolfo said. He said when we give  
1819 money in this country to support him, that frees up money  
1820 that he would have from foreign sources, say, to buy bread,  
1821 that he could now use to buy weapons.

1822 Q Are you aware of something wrong, illegal with  
1823 purchasing weapons from money contributed by individuals in  
1824 he United States?

1825 A There are certain laws that govern that.

1826 Q Are you aware of the laws?

1827 A I became aware of them in December.

1828 Q What are they?

1829 A You would have to get the lawyer to list them, but  
1830 I got a briefing on what you have to do if you are going to  
1831 do it. There is a process you have to go through. There  
1832 are certain things you cannot do. It is almost like a blind

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1833 investment at someone's banking account. I have not read

1834 that *extensively*.

1835 . Q Is that privileged?

1836 . A No. It is just a memo. Maybe you were gone when I

1837 said this the other day, that I was sure that Oliver North,

1838 when I went to see him or anybody in the White House, was

1839 not engaging in any activity that would be at all against

1840 the law and therefore I was sure that what he said was not

1841 against the law either.

1842 . I was sure that when our report came to us at the

1843 end of the <sup>1986</sup> year that we would probably have to go to some

1844 lawyer or the White House lawyer or I don't know whose

1845 lawyer, but we would go to them and be sure everything was

1846 legal and assure our contributors.

1847 . I had absolute confidence that when December <sup>1986</sup> came,

1848 we would. I didn't lose a minute's sleep over it. I had

1849 been very concerned about it because I thought Ollie was

1850 walking a tight line, but I was sure he knew exactly what he

1851 was doing.

1852 . This was the White House. And when we got our

1853 report ready, that all the legal underpinning would be

1854 there. It never once occurred to me that it would not be.

1855 . Q I am confused. You had a problem with raising

1856 money from individuals in the United States for weapons, you

1857 thought that should be foreign money?

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1858 . A No. Adolfo told our groups.

1859 . Q Was that your understanding that you should not

1860 raise money in the United States for weapons?

1861 . A No. My understanding was that this is what he

1862 could do when we gave him money. That replaced money he

1863 would have to use for bread and he could use this other

1864 money for weapons or other things.

1865 . Q Did Rich Miller ever instruct you to use MEPL in

1866 your fund-raising efforts with contributors as opposed to

1867 any of your other organizations for the Central American

1868 freedom fighters?

1869 . A I don't think I understand the question. Rich

1870 Miller never told me to use any organization for anything.

1871 . Q So that was your decision?

1872 . A Yes.

1873 . Q Did you ever discuss with Colonel North the

1874 advantages of using a tax-exempt corporation to raise money,

1875 that some individuals may want to contribute to a tax-exempt

1876 corporation such as MEPL to be able to take that deduction

1877 when donating money to you?

1878 . A Not in that way at all. I had mentioned several

1879 projects <sup>which</sup> that I wanted MEPL to carry out. I said to him,

1880 "On the films on terrorism, we are going to be able to get

1881 this money because it is all tax deductible."

1882 . MR. BUCK: I have no further questions.

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1883 . Thank you very much.

1884 . EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

1885 . BY MR. FRYMAN:

1886 . Q Mr. Channell, we previously talked about your  
1887 meeting with Colonel North and Mr. Miller, I believe, in  
1888 July of 198 where it was decided that you were transferring  
1889 moneys to an account of Mr. Miller's that you had raised on  
1890 behalf of the resistance in Micaragua.

1891 . Do you recall that conversation in July of 1985?

1892 . A Yes.

1893 . Q Was it your understanding at the time of that  
1894 conversation that Colonel North would have some control over  
1895 the funds after they went into Mr. Miller's account?

1896 . A That is very difficult to tell because I was not  
1897 aware for a very long time of the exact relationship of Rich  
1898 Miller to Colonel North. Because I was not aware of it, I  
1899 didn't think of what it could be. I didn't think of what  
1900 could happen. I knew they were good friends. I knew they  
1901 were associates.

1902 . I conoluded after this dinner that Colonel North  
1903 had something to do with the disposition of our support. It  
1904 was clear that he did, but I couldn't tell you what. My  
1905 image was that he would meet periodically with the freedom  
1906 fighter leadership and maybe even Rich would be there and  
1907 they would say we have this much now in the accounts, what

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1908 do we do with it and Ollie might say, "It is my advice that  
 1909 you do so-and-so and maybe Adolfo would say we want to do  
 1910 this."

1911 . My idea was that it was going <sup>into</sup> ~~in~~ a big pot and  
 1912 from time to time they were meeting to decide what to do  
 1913 with the money in sort of a collegial atmosphere. That is  
 1914 my image.

1915 . Q After that July 1985 meeting, you caused millions  
 1916 of dollars to be transferred to an account controlled by Mr.  
 1917 Miller; is that correct?

1918 . A Yes. IBC is what you mean; that is all.

1919 . Q Either to the IBC account or the Cayman Islands  
 1920 account. There came a point when you caused funds to be  
 1921 transferred to the Cayman Islands, did you not?

1922 . A Yes, at Mr. Miller's request. When we made out the  
 1923 checks to the Cayman Islands account, we were unaware that  
 1924 it was a Cayman Islands account.

1925 . Q But you were subsequently made aware that it was?

1926 . A That is correct.

1927 . Q You caused millions of dollars of funds to be  
 1928 transferred to two accounts controlled by Mr. Miller?

1929 . A I don't know if Mr. Miller was controlling those  
 1930 accounts.

1931 . Q I just want to get the chronology straight in the  
 1932 record, Mr. Channell.

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1933 . In July 1985, you met with Colonel North and Mr.  
1934 Miller and it was decided that you should transfer these  
1935 funds?

1936 . A To work through IBC to give support to the freedom  
1937 fighters.

1938 . Q Were you told of the account at that meeting, but  
1939 subsequently Mr. Miller came to you and identified the  
1940 account to which you should transfer the funds?

1941 . A We transferred money to IBC and a year and three  
1942 months later, whatever it was, we transferred money to the  
1943 Grand Caymans account, but as I said, we were not aware that  
1944 it was a Grand Caymans account. We thought it was another  
1945 of Rich Miller's organizational accounts. It was not named  
1946 Grand Caymans. It was named INTEL. I thought it was up  
1947 here at Riggs Bank.

1948 . Q After you transferred these millions of dollars to  
1949 these accounts, was it your understanding that Colonel North  
1950 had some say in the disposition of the funds from these  
1951 accounts?

1952 . A I personally believed that he had some influence on  
1953 the disposition; that is correct.

1954 . Q Mr. Buck asked you several questions about the  
1955 purpose of private briefings with your contributors. You  
1956 have described in your testimony a number of those private  
1957 briefings, and I believe you have testified that on several

**UNCLASSIFIED**

UNCLASSIFIED

NAME: MIR260000

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1958 occasions in those briefings Colonel North described  
 1959 particular military needs of the contras; is that correct?  
 1960 . A Yes.  
 1961 . Q Is it correct to say that one of the purposes at  
 1962 least on occasion of those private briefings was for Colonel  
 1963 North to communicate to the contributor particular military  
 1964 needs?  
 1965 . A Occasionally he would do that, you are correct.  
 1966 . Q You mentioned in response to Mr. Buck's questions  
 1967 that you had received a legal memorandum from your counsel,  
 1968 at least it is my understanding that you received written  
 1969 legal advice and that is what you described in response to  
 1970 Mr. Buck's question.  
 1971 . MS. MORRISON: I don't think he described the  
 1972 advice.  
 1973 . BY MR. FRYMAN:  
 1974 . Q It was written rather than oral; correct?  
 1975 . A I requested this from counsel after the crisis  
 1976 began. It was not during this time. It was after the  
 1977 crisis began. After I hired some lawyers to deal with this.  
 1978 I said, oh, good, I need to know. So it was all afterwards.  
 1979 . Q When you said after the crisis, you mean it was  
 1980 after December 1, 1986?  
 1981 . A Yes.  
 1982 . Q Was the attorney who prepared this memorandum Mr.

UNCLASSIFIED

NAME: HIR260000

**UNCLASSIFIED**

PAGE 81

1983 Herge?

1984 . A No.

1985 . Q Was it Ms. Morrison's firm?

1986 . MS. MORRISON: Is this relevant? I am wondering  
1987 about the interest that you are expressing.1988 . MR. FRYMAN: I think, Ms. Morrison, that it is  
1989 appropriate for me to pursue this line of foundation  
1990 questioning as a basis for reaching the conclusion that it  
1991 is a privileged document.1992 . MS. MORRISON: You have said it was a memo which  
1993 arose advising Mr. Channell after the fact about issues  
1994 related to what he has probably quite accurately described  
1995 as the crisis. It is not pertinent to the time frame that  
1996 you are looking at.

1997 . BY MR. FRYMAN:

1998 . Q Did you share this memorandum with any of your  
1999 contributors?

2000 . A No.

2001 . Q And you had not received any memorandum with any  
2002 attorney with respect to the mechanics of making  
2003 contributions prior to December 1, 1986?

2004 . A No.

2005 . As you know, <sup>a 501-C-3</sup> 502 has a mandate as to what you could  
2006 do with general parameters, general causes to help the  
2007 world, feed the world, educate the world, which, of course,**UNCLASSIFIED**



**UNCLASSIFIED**

NAME: HIR260000

PAGE 82

2008 is produced by lawyers.

2009 . Q Am I correct that Mr. Herga had served as counsel

2010 for your organization in connection with the organizational

2011 matter?

2012 . A Yes.

2013 . MR. FRYMAN: That is all the questions I have.

2014 . BY MR. BUCK:

2015 . Q Do you know of any contributors that donated money

2016 to your tax-exempt corporation, specifically NEPL, that

2017 would not have donated money had it not been a tax-exempt

2018 contribution?

2019 . A No.

2020 . Q Nobody ever stated that was the reason?

2021 . A No.

2022 . MR. FRYMAN: Thank you very much.

2023 . [Whereupon, at 12:45 p.m., the taking of the

2024 deposition concluded.]

**UNCLASSIFIED**



NAME: HIR260000

**UNCLASSIFIED**

PAGE 1

\*\*\*\*\*  
\* C O N T E N T S \*  
\*\*\*\*\*

STATEMENTS OF:

*With corrections  
noted  
October 14 1966  
C. J. Shaw*

**UNCLASSIFIED**



January 9, 1986

Memorandum For: Mr. Spitz Channell  
 From: Rich Miller, Frank Gomez  
 Subject: Freedom Program

As you know, Bruce Cameron, among others, has been chastised lately by the liberal lobby for "defecting" to the Reagan Administration on Central American matters. Cameron, until last summer, was the chief foreign policy lobbyist for Americans for Democratic Action, and one of the most effective critics of Administration policy. Like Bob Leiken of the Carnegie Endowment, however, he saw the truth, spoke it, and lost his job.

We know Bruce personally. But through a confidential source, we have learned that he is in dire need of a job. It has occurred to us, therefore, (and with some extra thinking by our source) that he could be extremely helpful in the Central America Freedom Program.

What we suggest is that the Program provide a grant of about \$40,000 to PRODEMCA and that one condition for the grant be that they hire Cameron as their lobbyist. This amount would enable Cameron to work about six months at \$5,000 per month plus \$10,000 in expenses (phone, representation, taxi, etc.)

Cameron's background is in the Democratic party. Also, PRODEMCA was founded and is guided primarily by conservative Democrats. They played an important role in the victory last spring. Both PRODEMCA and Cameron would have easy entree into the opposition ranks on the hill and would be highly credible.

We urge you to consider this as a component of your program. We welcome the opportunity to discuss it further.

*Channell for Mr. Spitz  
 TMS 7/17/87*

**2:39**

## MEMO

DATE: 12/2/86

TO: CLIFF/SPITZ

FROM: STEVE

RE: GOODMAN/RAM FILMS BALANCE DUE

ACCORDING TO OUR RECORDS, MRS. GARWOOD'S 25,000 CONTRIBUTION WAS GIVEN TO ACT SEF. WE WERE INSTRUCTED THAT THIS MONEY COULD NOT BE USED FOR THE TV COMMERCIALS. IT WAS USED TO PAY FOR NEWSPAPER ADS - GET OUT AND VOTE (18,000) AND OTHER BILLS. THEREFORE, THE ASSUMPTION THAT THIS MONEY WAS USED TO PAY FOR PRODUCTION COSTS OF THE TV COMMERCIALS IS INCORRECT.

WE WERE ALSO TOLD TO HOLD OFF ON SENDING THE INITIAL MONEY TO GOODMAN AND RAM UNTIL ENOUGH FUNDS HAD BEEN "CREATED" IN THE FEDERAL ACCOUNT. I BELIEVE THIS WAS ACCOMPLISHED VIA CONTRIBUTIONS FROM SPITZ, ERIC, AND ATAC FED ( 5,000 EACH).

AT THIS POINT IN TIME, THE FEDERAL MONIES WERE USED TO PURCHASE CRITICAL TIME BUYS, NOT PRODUCTION COSTS. THE SECOND PURCHASE OF MEDIA TIME FOR \$14,000 COULD NOT BE COMPLETELY CARRIED OUT BY GOODMAN. THIS CREDIT OF \$1,750 WAS APPLIED AGAINST THE TOTAL PRODUCTION COSTS OF RAM AND GOODMAN COMBINED OF \$19,750 THUS LEAVING AN OUTSTANDING BALANCE FOR PRODUCTION COSTS OF APPROXIMATELY \$18,000.

THEREFORE, IT IS CLEAR THAT WE HAVE NOT PAID THE PRODUCTION COSTS WHICH GOODMAN AND RAM ARE BILLING US FOR AND FOR WHICH WE HAVE BEEN AWARE OF NOW FOR AT LEAST A MONTH. WE HAVE EXPLAINED THIS SCENARIO ON PREVIOUS OCCASIONS AND MUST OBTAIN A RESOLUTION FROM YOU.

PLEASE REVIEW THE ATTACHED INVOICES AND AUTHORIZE FOR PAYMENT. IF YOU HAVE ANY DISCREPANCIES YOU MUST DISCUSS THEM WITH GOODMAN OR RAM. WE ARE NOT IN A POSITION TO DETERMINE THE VALIDITY OF THE CHARGES, ONLY WHETHER THEY HAVE BEEN PAID OR HAVE NOT BEEN PAID.

*Channel 8 & 51*

*7/13 9/17/81*

*CS*

A 0000121

Exhibit DC-1

**UNCLASSIFIED**

August 15, 1985

Dear Spitz:

Throughout the struggle for freedom and democracy in Nicaragua, there are those who have carried this great burden with dedication and a true sense of patriotism. You and the people involved in the National Endowment for the Preservation of Liberty are at the center of the struggle.

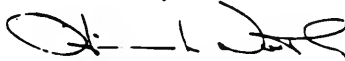
In the Spring when we began our campaign to help the Nicaraguan resistance in a crucial struggle for democracy in their native land, your resources helped carry the day. Without your fine efforts, their situation would have gone from desperate to hopeless. Yours was a key organization in supporting President Reagan's legislative initiative for Congressional aid to the Nicaraguan freedom fighters. Your paid advertising and support of the President's program was critical to our success.

In July when you began to help educate others to the needs of the Nicaraguan freedom fighters, their chances were greatly increased. The special events you hosted and the generous support your people gave carried the day and helped to save freedom from extinction in Nicaragua. Your continuing efforts have two very special values. The level of support you have brought to the struggle has been nothing short of monumental. The steadfastness and commitment you have maintained is the true sign of patriotism. When freedom and democracy are at stake, those who sacrifice without public acclaim it to the world are our truest patriots.

The programs you have undertaken are crucial. Without the means you provide, those who seek a democratic outcome in Nicaragua will fail. As always, in the hour of critical need, we find you and the National Endowment for the Preservation of Liberty ready to help.

For your past efforts and your present initiatives, we salute you.

Sincerely,



Oliver L. North  
Deputy Director  
Political-Military Affairs

Mr. Carl Russell Channel  
National Endowment for the  
Preservation of Liberty  
404 4th Street, N.W.  
Washington, D.C. 20001

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5800

A 0074802

THE WHITE HOUSE  
DC 20500 17AM

Western  
Union Mailgram



1-083601U017008 01/17/85 ICS WA08186  
00011 MLTN VA 01/17/85

W3MA

MR. SPITZ CHANNELL  
PRESIDENT  
AMERICAN CONSERVATIVE TRUST  
305 4TH STREET, N.E.  
WASHINGTON, DC 20002

THE WHITE HOUSE IS CONDUCTING A SPECIAL BRIEFING ON CENTRAL AMERICA ON BEHALF OF THE NICARAQUAN REFUGEE FUND. YOU ARE CORDIALLY INVITED TO ATTEND THIS HIGH-LEVEL BRIEFING WHICH WILL BE HELD ON TUESDAY, JANUARY 22, FROM 1:30 TO 3:30 P.M. IN THE ROOSEVELT ROOM IN THE WEST WING OF THE WHITE HOUSE.

IF YOU PLAN TO ATTEND, PLEASE ARRIVE AT THE NORTHWEST GATE ON PENNSYLVANIA AVENUE BY 1:15 P.M. WITH PHOTO-ID.

PLEASE RSVP TO 202/456-2637 AS SOON AS POSSIBLE.

SINCERELY,

FAITH RYAN WHITTLESEY, ASSISTANT TO  
THE PRESIDENT FOR PUBLIC LIAISON

13108 EBT

HGMCOMP



# **IMPORTANT NOTICE**

## **THE NICARAGUAN REFUGEE FUND**

a non profit 501(c)(3) humanitarian effort established to supply Nicaraguan refugees, now in Honduras and Costa Rica, with much needed medical supplies, food, tools and clothing, announces:

**A Special Fundraising Dinner Honoring**

**PRESIDENT AND MRS. REAGAN**

on  
April 2, 1985  
at

The Sheraton Washington Hotel  
Woodley and Connecticut Avenues, N.W.  
Washington, D.C.

Cocktails: 6:30 p.m.; Dinner: 7:30 p.m.

Tickets: \$250 per person  
\$2500 per table

Co-Chairs of the dinner will be Rep. Louis (Woody) Jenkins,  
Chairman, Friends of the Americas, and well-known philanthropist  
and humanitarian, Sugar Rautbord.

Other outstanding Americans supporting this effort and  
serving on the Honorary Dinner Committee include:

W. Clement Stone  
Bob Hope  
Honorable Jack Kemp  
Frank Borman

For Information Contact  
Nicaraguan Refugee Fund  
Dinner Committee  
1090 Vermont Avenue, NW  
Washington, D.C. 20005  
(202) 682-1680

A 0075298



## MEMO

4/19/85

Dear Dan, Spitz & Crew:

It's been some week, and yet I know our collective efforts will reap nice rewards.

Enclosed find a summary sheet outlining our TV buys in ten different media markets across the country. As discussed, we'll attempt to "pry open" the Hartford/New Haven by Monday morning.

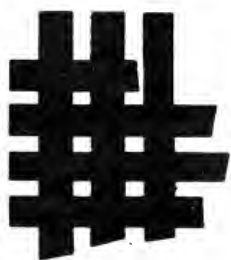
Finally, to prove there is indeed some method to my madness, I'm enclosing a summary of the research used to define the TV markets selected to reach the 21 targeted Congressmen (per Rich Miller). It provides a quick glimpse of the number of Congressman actually impacted by our wave of "Freedom Fighters" television.

We'll call you Monday about New Haven, and to set up a time when we can meet to discuss this current buy as it applies to any future projects down the line.

Thanks again for your patience. I really feel our two groups, working together, really make quite a team.

*Edan G*

A 0076090



***the robert goodman agency, inc.***  
 OLD COURT & MILLS ROADS — BOX 312, BROOKLANDVILLE, MARYLAND 21022

A 0026091



OLD COURT & FALLS ROADS — BOX 912, BROOKLANDVILLE, MARYLAND 21022 (301) 296-3330

THE AMERICAN CONSERVATIVE TRUST  
 "Freedom Fighters" Television  
 Market by Market Cost Breakdown  
 -----

<u>TV Market</u>	<u>\$ Spent</u>
WASHINGTON	\$ 25,950.
MIAMI	5,875.
CLEVELAND	5,090.
PHILADELPHIA	15,000.
KANSAS CITY	5,000.
TULSA	5,000.
ALBUQUERQUE	3,560.
BEAUMONT	3,400.
CHARLOTTE	5,015.
DALLAS	9,075.
	<hr/>
	\$ 82,965.

A contingency fund of \$ 5,000 will be applied to any TV buy we can clear with a station which reaches the Greenwich, Connecticut viewing audience...

A 0026092

**the robert goodman agency, inc.** OLD COURT & FALLS ROADS - BOX 512, BROOKLANDVILLE, MARYLAND 21022 (301) 296-5330

FOR: THE AMERICAN CONSERVATIVE TRUST

DATE PREPARED: April 17, 1985

STATION(S): WJLA-TV Washington, DC

START DATE: April 18, 1985

END DATE: April 22, 1985

DAYS	BROADCAST TIME	SPOT LENGTH	BROADCAST DATES	PROGRAMMING	TOTAL SPOTS	RATE/ SPOT	TOTAL COST	GROSS RATING POINTS
Th-Mon.	7:00 - 9:00am	:30	4/18/85-4/22/85	Good Morning America	8	350.	2800.	40
Th-Mon.	5:30 - 7:00pm	:30	"	Early News	7	650.	4550.	56
Th-Mon.	11:00 - 11:30pm	:30	"	Late News	5	1600.	8000.	55
Th-Mon.	11:30 - 12:00am	:30	"	Nightline	3	900.	2700.	18
Sat/Sun	11:30 - 11:45pm	:30	4/20/85-4/21/85	Network News Break	2	900.	1800.	12
Fri/Mon	7:30 - 8:00pm	:30	4/19/85-4/21/85	Entertainment Tonight	3	1700.	5100.	36
Sat.	7:30 - 8:00pm	:30	4/20/85	The Larry King Show	1	1000.	1000.	8
WJLA-TV SCHEDULE TOTAL:					29		25,950	225

A 0076097

***the robert goodman agency, inc.***

THE AMERICAN CONSERVATIVE TRUST  
 "Aid to the Freedom Fighters"  
 TV -- Costs & Options

-----

(1) WASHINGTON, D.C.

Affected Congressmen: ALL

Estimated Cost:

200 GRPs - \$ 25,000

250 GRPs - 31,250

-----  
(2) MIAMI, FLORIDA

Affected Congressmen: LARRY SMITH (R - 16th CD)

Dan Mica (D - 14th CD)

Clay Shaw (R - 15th CD)

Bill Lehman (D - 17th CD)

Claude Pepper (D - 18th CD)

Dante Fascell (D - 19th CD)

Estimated Cost: JULIUS PIERCE (Miami contributor)

100 GRPs - \$ 22,500

150 GRPs - 33,750

-----  
(3) NEW HAVEN, CONNECTICUT

Affected Congressmen: NANCY JOHNSON (R - 6th CD)

Barbara Kennelly (D - 1st CD)

Sam Gejdensen (D - 2nd CD)

Bruce Morrison (D - 3rd CD)

John Rowland (R - 5th CD)

-----

BARBARA NEWINGTON (Greenwich, Ct. contributor)

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A 0076094

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The American Conservative Trust  
 "Freedom Fighters" TV

Page Two

New Haven, Ct. (Continued)

Estimated Cost:

100 GRPs - \$ 6,500

150 GRPs - 9,750

(4) AUSTIN, TEXAS

Affected Congressmen: J.J. Pickle (D - 10th CD)

Marvin Leath (D - 11th CD)

Mac Sweeney (R - 14th CD)

Tom Loeffler (R - 21st CD)

ELLEN GARWOOD (Austin Contributor)

Estimated Cost:

150 GRPs - \$ 3,000

200 GRPs - 4,000

(5) CEDAR RAPIDS/WATERLOO, IOWA

Affected Congressmen: TOM TAUKE (R - 2nd CD)

COOPER EVANS (R - 3rd CD)

Jim Leach (R - 1st CD)

Estimated Cost: STEVE GUNDERSON (R - Wisconsin 3rd CD)

100 GRPs - \$ 2,000

150 GRPs - 3,000

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The American Conservative Trust  
 "Freedom Fighters" TV

Page Three

(6) BANGOR, MAINE

Affected Congressmen: OLYMPIA SNOWE (R - 2nd CD)  
 John McKernan (R - 1st CD)

## Estimated Cost:

100 GRPs - \$ 1,000  
 150 GRPs - 1,500

-----  
 (7) LA CROSSE/EAU CLAIRE, WISCONSIN

Affected Congressmen: STEVE GUNDERSON (R - 3rd CD)  
 Robert Kastenmeier (D - 2nd CD)  
 Thomas Petri (R - 6th CD)  
 David Obey (D - 7th CD)  
 Tim Penny (D - Minnesota 1st CD)

## Estimated Cost:

100 GRPs - \$ 1,500  
 150 GRPs - 2,250

-----  
 (8) CINCINNATI, OHIO

Affected Congressmen: BILL GRADISON (R - 1st CD)  
 Thomas Luken (D - 2nd CD)  
 Bob McEwen (R - 6th CD)  
 Thomas Kindness (R - 8th CD)  
 Gene Snyder (R - Kentucky 4th CD)  
 Lee Hamilton (D - Indiana 9th CD)

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A 0076096



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 "Freedom Fighters" TV

Page Four

Cincinnati, Ohio (Continued)

Estimated Cost:

100 GRPs - \$ 4,000  
 150 GRPs - 6,000

(9) CLEVELAND, OHIO

Affected Congressmen: RALPH REGULA (R - 16th CD)  
 Michael Oxley (R - 4th CD)  
 Del Latta (R - 5th CD)  
 Dennis Eckert (D - 11th CD)  
 Don Pesse (D - 13th CD)  
 John Seiberling (D - 14th CD)  
 Doug Applegate (D - 18th CD)  
 Edward Feighan (D - 19th CD)  
 Mary Rose Oaker (D - 20th CD)  
 Louis Stokes (D - 21st CD)

Estimated Cost:

100 GRPs - \$ 6,000  
 150 GRPs - 9,000

(10) HARRISBURG/YORK/LANCASTER/LEBANON, PENNSYLVANIA

Affected Congressmen: BILL GOODLING (R - 19th CD)  
 Robert Walker (R - 16th CD)  
 George Gekas (R - 17th CD)

A 0076097

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 "Freedom Fighters" TV

Page Five

Harrisburg/York/Lancaster/Lebanon, Pa. (Continued)

Estimated Cost:

100 GRPs - \$ 3,000

150 GRPs 4,500

-----

(11) PHILADELPHIA, PENNSYLVANIA

Affected Congressmen: GUS YATRON (D - 6th CD)  
 LAWRENCE COUGHLIN (R - 13th CD)  
 Tom Foglietta (D - 1st CD)  
 William Gray (D - 2nd CD)  
 Robert Borski (D - 3rd CD)  
 Richard Schulze (R - 5th CD)  
 Bob Edgar (D - 7th CD)  
 Peter Kostmayer (D - 8th CD)  
 Don Ritter (R - 15th CD)  
 Robert Walker (R - 16th CD)  
 Tom Carper (D - At-Large, Delaware)  
 Jim Florio (D - New Jersey 1st CD)  
 William Hughes (D - New Jersey 2nd CD)

Estimated Cost:

100 GRPs - \$ 12,500

150 GRPs - 18,750

-----

A 0006098

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The American Conservative Trust  
 "Freedom From [REDACTED] TV"

Page Six

**(12) ROCKFORD, ILLINOIS**

Affected Congressmen: LYNN MARTIN (R - 16th CD)  
 John Grothberg (R - 14th CD)  
 Les Aspin (D - Wisconsin 1st CD)

**Estimated Cost:**

100 GRPs - \$ 2,000

150 GRPs - 3,000

**(13) KANSAS CITY, MISSOURI**

Affected Congressmen: JAN MEYERS (R - Kansas 3rd CD)  
 Jim Slattery (D - Kansas 2nd CD)  
 Bob Whittaker (R - Kansas 5th CD)  
 Ike Skelton (D - Missouri 4th CD)  
 Alan Wheat (D - Missouri 5th CD)  
 Thomas Coleman (R - Missouri 6th CD)

**Estimated Cost:**

100 GRPs - \$ 5,000

150 GRPs - 7,500

**(14) SEATTLE/TACOMA, WASHINGTON**

Affected Congressmen: JOHN MILLER (R - 1st CD)  
 Al Swift (D - 2nd CD)  
 Don Bonker (D - 3rd CD)  
 Sid Morrison (R - 4th CD)  
 Norm Dicks (D - 6th CD)  
 Mike Lowry (D - 7th CD)  
 Rod Chandler (R - 8th CD)

OLD COURT & HILLS ROADS -- BOX 512, BROOKLANDVILLE, MARYLAND 21022 (301) 296-5330

A 0076099

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The American Conservative Trust  
 "Freedom Fighters" TV

Page Seven

Seattle/Tacoma, Wash. (Continued)

Estimated Cost:

100 GRPs - \$ 6,500

150 GRPs - 9,750

(15) ROCHESTER, NEW YORK

Affected Congressmen: FRANK HORTON (R - 29th CD)  
 Fred Eckert (R - 30th CD)  
 Jack Kemp (R - 31st CD)  
 John LaFalce (D - 32nd CD)

Estimated Cost:

100 GRPs - \$ 2,500

150 GRPs - 3,750

(16) TULSA, OKLAHOMA

Affected Congressmen: JIM JONES (D - 1st CD)  
 Mike Synar (D - 2nd CD)  
 Wes Watkins (D - 3rd CD)  
 Mickey Edwards (R - 5th CD)

Estimated Cost:

100 GRPs - \$ 3,500

150 GRPs - 5,250

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The American Conservative Trust  
 "Freedom Fighters" TV

Page Eight

**(17) ALBUQUERQUE, NEW MEXICO**

Affected Congressmen: BILL RICHARDSON (D - 3rd CD)  
 Manuel Lujan (R - 1st CD)  
 Joe Skeen (R - 2nd CD)  
 Michael Strang (R - Colorado 3rd CD)

**Estimated Cost:**

100 GRPs - \$ 2,500

150 GRPs - 3,750

**(18) BEAUMONT, TEXAS**

Affected Congressmen: CHARLES WILSON (D - 2nd CD)  
 Jack Brooks (D - 9th CD)

**Estimated Cost:**

100 GRPs - \$ 2,000

150 GRPs - 2,500

**(19) GREENSBORO, NORTH CAROLINA**

Affected Congressmen: STEPHEN NEAL (D - 5th CD)  
 BILL HEFNER (D - 2nd CD)  
 Tim Valentine (D - 2nd CD)  
 Bill Cobey (R - 4th CD)  
 Howard Coble (R - 6th CD)  
 Alex McMillan (R - 9th CD)

**Estimated Cost:**

100 GRPs - \$ 3,500

150 GRPs - 5,250

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A 0036101

***the robert goodman agency, inc.***

The American Conservative Trust  
 "Freedom Fighters" TV

Page Nine

**(20) CHARLOTTE, NORTH CAROLINA**

Affected Congressmen: STEPHEN NEAL (D - 5th CD)  
 BILL HEFNER (D - 8th CD)  
 Alex McMillan (R - 9th CD)  
 Jim Broyhill (R - 10th CD)  
 Bill Hendon (R - 11th CD)  
 John Spratt (D - South Carolina 5th CD)

**Estimated Cost:**

100 GRPs - \$ 5,000

150 GRPs - 7,500

**(21) DALLAS, TEXAS**

Affected Congressmen: CHARLES WILSON (D - 2nd CD)  
 Sam Hall (D - 1st CD)  
 Steve Bartlett (R - 3rd CD)  
 Ralph Hall (D - 4th CD)  
 John Bryant (D - 5th CD)  
 Joe Barton (R - 6th CD)  
 Marvin Leath (D - 11th CD)  
 Jim Wright (D - 12th CD)  
 Charles Stenholm (D - 17th CD)  
 Martin Frost (D - 24th CD)  
 Dick Armey (R - 26th CD)

**Estimated Cost:**

100 GRPs - \$ 12,500

150 GRPs - 18,750

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The American Conservative Trust  
 "Freedom Fighters" TV

Page Ten

**(22) SAN FRANCISCO, CALIFORNIA**

Affected Congressmen: ED ZSCHAU (R - 12th CD)  
 Doug Bosco (D - 1st CD)  
 Gene Chappie (R - 2nd CD)  
 Vic Fazio (D - 4th CD)  
 Sala Burton (D - 5th CD)  
 Barbara Boxer (D - 6th CD)  
 George Miller (D - 7th CD)  
 Ron Dellums (D - 8th CD)  
 Pete Stark (D - 9th CD)  
 Don Edwards (D - 10th CD)  
 Tom Lantos (D - 11th CD)  
 Norman Mineta (D - 13th CD)

**Estimated Cost:**

100 GRPs - \$ 17,500

150 GRPs - 26,250

---

NOTE: All Congressman listed in CAPS above are among the 21  
 Reps. targeted by Rich Miller...

# WNU

# Telegram

VBAB43(1022)(4-010726S137)PD 06/06/89 1022

ICS 1PM17Z CSP

6097777777 TDMT MOORESTOWN NJ 17 06-06 1022A EST

TMS CARL RUSSELL CHANNEL, DLR

2032 EILYMONI RD

APT 6C

WASHINGTON DC 22009

FEAR SPIT?

THANK YOU FOR THE HELP ON SUCH SHORT NOTICE. WE WILL APPRECIATE YOUR  
HEROIC EFFORTS.

COL:0910

NNNN

A 0036197



NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20506

August 15, 1985

Dear Spitz:

Throughout the struggle for freedom and democracy in Nicaragua, there are those who have carried this great burden with dedication and a true sense of patriotism. You and the people involved in the National Endowment for the Preservation of Liberty are at the center of the struggle.

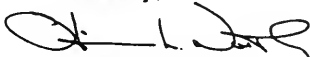
In the Spring when we began our campaign to help the Nicaraguan resistance in a crucial struggle for democracy in their native land, your resources helped carry the day. Without your fine efforts, their situation would have gone from desperate to hopeless. Yours was a key organization in supporting President Reagan's legislative initiative for Congressional aid to the Nicaraguan freedom fighters. Your paid advertising and support of the President's program was critical to our success.

In July when you began to help educate others to the needs of the Nicaraguan freedom fighters, their chances were greatly increased. The special events you hosted and the generous support your people gave carried the day and helped to save freedom from extinction in Nicaragua. Your continuing efforts have two very special values. The level of support you have brought to the struggle has been nothing short of monumental. The steadfastness and commitment you have maintained is the true sign of patriotism. When freedom and democracy are at stake, those who sacrifice without public acclaim it to the world are our truest patriots.

The programs you have undertaken are crucial. Without the means you provide, those who seek a democratic outcome in Nicaragua will fail. As always, in the hour of critical need, we find you and the National Endowment for the Preservation of Liberty ready to help.

For your past efforts and your present initiatives, we salute you.

Sincerely,



Oliver L. North  
Deputy Director  
Political-Military Affairs

Mr. Carl Russell Channel  
National Endowment for the  
Preservation of Liberty  
305 4th Street, N.E.  
Washington, D.C. 20002

A 0037810

**CONFIDENTIAL**NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20505**CONFIDENTIAL**

August 15, 1985

Dear Spitz:

Throughout the struggle for freedom and democracy in Nicaragua, there are those who have carried this great burden with dedication and a true sense of patriotism. You and the people involved in the National Endowment for the Preservation of Liberty are at the center of the struggle.

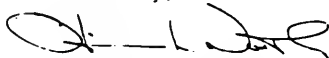
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Sincerely,



Oliver L. North  
Deputy Director  
Political-Military Affairs

Mr. Carl Russell (Channel)  
National Endowment for the  
Preservation of Liberty  
405 4th Street, N.E.  
Washington, D.C. 20002

A 0034802

McCann & Goodman Agency, Inc.

"Freedom Spots" Television  
Placement Profile: Costs & Options

August, 1985

I. TARGETED MARKETS: Coverage & Costs

<u>Market</u>	<u>TV Market Ranking</u>	<u>% of U.S. Television</u>	<u>Estimated Cost per GRP*</u>
NEW YORK	1	7.72%	\$ 300.
DALLAS/FT. WORTH	8	1.77	145.
WASHINGTON, D.C.	9	1.75	93.
HOUSTON	10	1.69	125.
MIAMI/ FT. LAUDERDALE	14	1.36	106.
HARTFORD/NEW HAVEN	22	.94	80.
SAN ANTONIO	44	.62	44.
RICHMOND/ CHARLOTTESVILLE	55	.52	28.
AUSTIN	81	.34	27.
JACKSON	84	.32	18.
Totals:		17.03%**	\$ 966.

\*Cost estimates are based on projected third quarter television spot rates using the following sample schedule formula:

10% Daytime (9A-4:30P, M-F)  
20% Early Evening (4:30-7:30P, non-news, M-F)  
20% Early News (5-7P, M-F)  
20% Prime Time (8-11P, M-Sa; 7-11P, Sun.)  
20% Late News (11-11:30P, M-F)  
10% Late Night (11:30P-1A, M-F)

\*\*This percentage of the nation's television viewers translate into 38,054,046 people (NOTE: Without New York, we would still reach 17,250,572 viewers...)

2201 OLD COURT ROAD BALTIMORE MARYLAND 21208 (301) 296-1130

A 0075618

***the robert goodman agency, inc.***

Page Two

II. PLACEMENT BUDGET OPTIONS: Costs & FrequenciesA. Preferred Plan -- All Markets -- 300 GRPs (approx.  
25-30, 60-second spots per market)

New York	\$ 180,000.
Dallas/Ft. Worth	87,000.
Washington, D.C.	55,800.
Houston	75,000.
Miami/Ft. Lauderdale	63,600.
Hartford/N. Haven	48,000.
San Antonio	26,400.
Richmond/C'ville	16,800.
Austin	16,200.
Jackson	10,800.
	<hr/>
	\$ 579,600.

## \*\*\*Frequency Distribution per Market:

1X --- 93%  
 2X --- 67%  
 3X --- 45%  
 4X --- 30%  
 5X --- 20%

\*\*\*This refers to the number of times an average viewer in a particular market sees a spot or series of spots... In the frequency table above, reflecting a TV buy of 300 GRPs in each of the ten selected Markets, 93% of the total audience in each market will see our spot one time(1X); 67% of the audience will see it twice(2X); 45% three times(3X); and so on...

A 0075619

MIDDLETOWN, VA, 22648  
13AM

Western  
Union Mailgram



4-0037608286402 09/13/88 100 1PMHTZ CDP MH00  
1 2023873002 MGH TDMT WASHINGTON DC 09-13 0903A EST

C H 031857

INTERNATIONAL BUSINESS COMMUNICATION J KEPPER  
1923 NEW HAMPSHIRE AVE NORTHWEST SUITE 200  
WASHINGTON DC 20036

THIS IS A CONFIRMATION COPY OF THE FOLLOWING MESSAGE:

2023873002 TDMT WASHINGTON DC 09 09-13 0903A EST  
PHS MR A R MIXSON JR CARE POWER CONSTRUCTORS INC, DLR  
725 EAST LAMAR BLVD SUITE 8  
ARLINGTON TX 76011

DEAR RALPH IT WAS A BLESSING TO HAVE MET WITH YOU WEDNESDAY NIGHT AND  
TO SHARE A FEW MOMENTS WITH A FELLOW CHRISTIAN WHO LIKE I WAS  
STUMBLED ON THE WALK

THE CAUSE OF THE BRAVE MEN AND WOMEN WHO CALL THEMSELVES THE  
CHRISTIAN GUERRILLAS IS JUST, THE SACRIFICES THEY ARE MAKING ARE  
CRUCIAL TO THE FREEDOM OF MILLIONS.,,AS IS THE SACRIFICE YOU  
CONTEMPLATED. THEY'RE IN A CRUCIAL PERIOD AND YOU CAN HELP SEE THEM  
SAFELY THROUGH IT.

YOUR HELP IS INVALUABLE AND TIMELY. MAY GOD BLESS YOU FOR YOUR  
VIGILANCE.

GOD BE WITH YOU  
OLIVER NORTH COLOJEL US MARINES

09103 EST

MGHCOMP

A 0029694

TO REPLY BY MAILGRAM MESSAGE, SEE REVERSE SIDE FOR WESTERN UNION'S TOLL - FREE PHONE NUMBERS

September 30, 1985

MEMO TO: Rich & Frank

From: Dan Conrad

RE: October Objectives

Here are our requirements for the month of October.

- G — 1. RR letter to ACT/NEPL
- G — 2. RR letter to Barbara Newington
- G — 3. RR meeting with Barbara Newington
- 4. RR meeting with Bunker Hunt, Ellen Garwood, Fred Sacher & Warren
- G — 5. Ellen Garwood letter to RR
- 6. RR meeting with ACT/NEPL personnel
- 7. dinner with Pat Buchanan
- 8. Pat Buchanan letter to ACT/NEPL
- 9. RR to Conservative Conference in December
- 10. RR + McFarlane to October 17th meeting
- 11. dinner with Don Regan
- 12. Pat Buchanan to attend October 17th meeting
- 13. meeting with George Bush
- 14. Frank: get article on Ellen Garwood in Washington Times by 10/17

4 OCT 1985

## DINNER ATTENDEES

October 17, 1985

Attendee	Host	Table Number
1. Dr. Mary J. Adamkiewicz	Dan	2
2. Mrs. Patricia D. Beck	Cliff	3
3. Mr. Benjamin T. Borelli	Staff	7
4. Mr. Robert Henry Brandenburger	Kris	4
5. Mr. J. Clifton Caldwell	Rich	5
6. Mr. Adolfo Calero	Spitz	1
7. General Thomas Camp, Jr.	Cliff	3
8. Mrs. Margaret Forsythe Camp	Cliff	3
9. Mr. Carl Russell Channell	Spitz	1
10. Mrs. Barbara Bullitt Christian	Dan	2
11. Miss Jacqueline M. Clemons	Staff	7
12. Mr. Daniel Lynn Conrad	Dan	2
13. Miss Angela J. Davis	Staff	7
14. Mr. Robert Bruce Ferguson	Rich	5
15. Mrs. St. John Garwood	Spitz	1
16. Mr. Francis D. Gomez	Frank	6
17. Mr. I. Robert Goodman	Frank	6
18. Mr. Michael Adam Goodman	Kris	4
19. Mr. Tatnall Lea Hillman	Dan	2
20. Mr. Jeffrey M. Keffer	Staff	7
21. Mr. John E. Krachik	Frank	6
22. Mr. Krishna S. Littledale	Kris	4
23. Mrs. Evelyn McKinley	Dan	2
24. Mr. Richard R. Miller	Rich	5
25. Major General George S. Patton	Cliff	3
26. Mr. Nolan Pentecost	Kris	4
27. Mrs. Mary Jo Pentecost	Kris	4
28. Mr. John W. Ramsey	Rich	5
29. Mrs. Nancy A. Ramsey	Rich	5
30. Mr. Fred R. Sacher	Frank	6
31. Mrs. Ruth Sacher	Frank	6
32. Mr. F. Clifton Smith	Cliff	3
33. Mr. David Harold Warm	Spitz	1
34. Mrs. Paula Warm	Spitz	1
35. Mr. Roger Wilkins	Staff	7

## TABLE SEATINGS

October 17, 1985

- Table 1: Carl Russell Channell  
Mr. Adolfo Calero  
Mrs. St. John Garwood  
Mr. David Harold Warm  
Mrs. Paula Warm
- Table 2: Daniel Lynn Conrad  
Dr. Mary J. Adamkiewicz  
Mrs. Barbara Bullitt Christian  
Mr. Tatnall Lea Hillman  
Mrs. Evelyn McKinley
- Table 3: F. Clifton Smith  
Mrs. Patricia D. Beck  
Major General George S. Patton  
General Thomas Camp, Jr.  
Mrs. Margaret Forsythe Camp
- Table 4: Krishna S. Littledale  
Mrs. Nolan Pentecost  
Mr. Nolan Pentecost  
Mr. Michael Adam Goodman  
Mr. Robert Henry Brandenburger
- Table 5: Richard R. Miller  
Mr. John W. Ramsey  
Mrs. Nancy A. Ramsey  
Mr. Robert Bruce Ferguson  
Mr. J. Clifton Caldwell
- Table 6: Francis D. Gomez  
Mr. I. Robert Goodman  
Mr. Fred R. Sacher  
Mrs. Ruth Sacher  
Mr. John Krachik
- Table 7: Benjamin T. Borelli  
Roger Wilkins  
Miss Angela J. Davis  
Jeffrey M. Keffer  
Miss Jacqueline M. Clemons



## THURSDAY

October 17, 1985

8:30 Hay-Adams, Coffee - Ramsey & Green  
Mrs. Barbara Bullitt Christian, Driving

1:00 Mr. John Krachik, Private Plane, Butler Aviation  
(Kris will pick up)

1:25 Mr. & Mrs. David Warm, Dulles, Republic Airlines  
(Cliff will pick up)

1:30 Mr. & Mrs. Pentecost, Mrs. McKinley, Mr. Caldwell  
National Airport, Flight 1730  
(Cliff will pick up)

2:59 Major General George S. Patton, National, Eastern  
185 (Cliff will pick up)

5:21 Mrs. Garwood, National, American 800  
(Roger will pick up)

5:14 Mr. Bob Ferguson, National, American 278  
(Kris will pick up)

5:30 Leave Hay-Adams

6:00 Indian Treaty Room

7:45 Reception

8:15 Dinner

9:00 Program

11:00 Adjournment

## CENTRAL AMERICAN FREEDOM PROGRAM BRIEFING

October 17, 1985

6:00 Greetings and Welcome  
Linas Kojelis, Associate Director, Public Liason  
Office

6:05 Introduction of Pat Buchannan  
Linas Kojelis

6:06 Remarks  
Pat Buchannan

6:16 Introduction of Col. Oliver North  
Pat Buchannan

6:17 Military Update  
Col. Oliver North

6:47 Introduction of Spitz Channell  
Linas Kojelis

6:48 Introduction of Fred Sacher & Film  
Spitz Channell

6:55 Viewing of Film

7:10 Q + A

7:20 Adjournment  
Spitz Channell

A 0074902

## CENTRAL AMERICAN FREEDOM PROGRAM DINNER

October 17, 1985

7:45 Reception/cocktails

8:15 Dinner

9:00 Opening Remarks  
Spitz Channell

9:10 Introduction of Frank Gomez  
Spitz Channell

9:11 Review of Briefing Packet Contents  
Frank Gomez

9:15 Discussion of Need for Public Diplomacy Program  
Frank Gomez

9:35 Introduction of Bob Goodman  
Frank Gomez

9:36 Importance of the Public Diplomacy Program  
Bob Goodman

9:45 Introduction of Adolpho Calero  
Spitz Channell

9:46 Remarks  
Adolfo Calero

9:56 Introduction of Commandantes  
Adolfo Calero

9:58 Remarks  
Commandantes/Frank Gomez translates

10:15 Presentation of Awards to Senior Patriots  
Spitz Channell, Commandantes, Frank Gomez translates

10:30 UNO Leaders & Commandantes Leave

10:30 Description of Friends of Freedom Program  
Spitz Channell

10:45 Request for Participation in Friends of Freedom  
Program -- Spitz Channell, Table Hosts

10:50 Adjournment  
Spitz Channell

## FRIDAY

October 18, 1985

8:00 Ellen Garwood, breakfast in the Grill  
9:00 Mr. & Mrs. David Warm  
9:30 Patty Beck  
12:27 Mrs. Garwood departs from National, American 467  
Mr. & Mrs. Ramsey depart from National, American  
4:30 Inman Brandon  
5:00 Christian, Adamkiewicz & 3rd person  
5:30 Nolan and Mary Jo Pentecost and Mrs. McKinley

A 0074904

## FRIDAY

October 18, 1985

8:00 Ellen Garwood, breakfast in the Grill  
9:00 Mr. & Mrs. David Warm  
9:30 Patty Beck  
12:27 Mrs. Garwood departs from National, American 467  
Mr. & Mrs. Ramsey depart from National, American  
4:30 Inman Brandon  
~~3:30~~ Christian, Adamkiewicz & 3rd person  
~~5:30~~ Nolan and Mary Jo Pentecost and Mrs. McKinley  
4:00

Fred Sacher 12<sup>15</sup>

FRIDAY  
October 18, 1985

C H U42271

8:00 Ellen Garwood, breakfast in her room  
9:00 Mr. & Mrs. David Warm  
9:30 Patty Beck  
12:27 Mrs. Garwood departs from National, American 467  
Mr. & Mrs. Ramsey depart from National, American  
4:30 Inman Brandon  
5:00 Christian, Adamkiewicz & 3rd person  
5:30 Nolan and Mary Jo Pentecost + Mrs McKinley

can we get her out earlier?  
any fight after 9:45  
call Anita

copy other  
side

★

THE WHITE HOUSE

WASHINGTON, D.C.

C H 029155

BRIEFING FOR THE NATIONAL ENDOWMENT  
FOR THE PRESERVATION OF LIBERTY

6:00 p.m. to 7:30 p.m. Thursday, November 21, 1985

\* \* \* \* \*

6:00 p.m. Welcome -- Mr. Linas Kojelis, Special Assistant to the President for Public Liaison

Remarks -- Ms. Linda Chavez, Deputy Assistant to the President and Director of the Office of Public Liaison

6:10 p.m. "Central America - A Review and Update" -- Lt. Col. Oliver North, Deputy Director, Office of Political-Military Affairs, National Security Council

7:10 p.m. Film -- "The Freedom Fighters of Nicaragua: An Update"

\* \* \* \* \*

A 0027084



WASHINGTON, D.C.

C H 032034

December 5, 1985

Mr. Carl Russell Channell  
 President  
 American Conservative Trust  
 Suite 210  
 305 4th St. N.E.  
 Washington, D.C. 20002

My Dear Friend Spitz,

I wish to thank you for all the support you have provided us this year. Now we need your support to help several hundred families who remained in Nicaragua. These women and children have been expropriated by the Sandinistas and are constantly harassed and intimidated. All because a member of their family has joined our struggle for freedom. These people have been deprived of even the basic means to survive in Communist Nicaragua.

The brave decision these families make to stand and silently help our struggle is their commitment. They intend to provide us information and assistance in our country. This will cost them a great deal. Their Christmas will be hard and less.

We ask your help, as you have done so well in the past, to keep these families alive. We need \$50,000.00 dollars through the holiday season. Please help us to sustain those who have stayed behind so that those of us on the front lines can survive.

God bless you for your past efforts and constant faith in us.

Sincerely,

Adolfo Calero

A 0029887



December 18, 1985

As of today, 43 groups have agreed to be Participating Organizations:

Accuracy in Media (Reed Irvine)  
 American Conservative Foundation (Spitz Channell)  
 American Conservative Trust (Spitz Channell)  
 American Conservative Trust State Election Fund (Spitz)  
 American Citizens for Political Action (Bob Dolan)  
 American Security Council (John Fisher)  
 John M. Ashbrook Center for Public Affairs (Cliff White)  
 Campaign America (Kirk Clinkenbeard)  
 Citizens Committee for the Right to Keep & Bear Arms (John Snyder)  
 Citizens for a Sound Economy (Richard Fink)  
 College Republicans (David Miner)  
 Conservative Alliance (Betsy Stone)  
 Council for Inter-American Security (Lynn Bouchey)  
 Council for the Defense of Freedom (Don Irvine)  
 Eagle Forum (Phyllis Schafley)  
 Eberle Direct Marketing Group  
 Free Congress Foundation (Paul Weyrich)  
 Freedom's Friends (Bill Murray)  
 Fund for a Conservative Majority (Bob Heckman)  
 Grow Washington (Spitz Channell)  
 High Frontier (General Danny Graham)  
 Moral Majority (Charlie Judd)  
 National Conservative Political Action Committee (Terry Dolan)  
 National Endowment for the Preservation of Liberty (Spitz)  
 National Forum Foundation (James Denton)  
 National Tax Limitation Committee (Law Uhler)  
 Nofziger-Bragg Communicators  
 Jay Parker & Associates  
 Public Advocate of the United States, Inc. (Ron Pearson)  
 Public Service Research Council (Dave Denholm)  
 Response Dynamics, Inc. (Ron Kanfer)  
 Russo, Watts & Rollins (Ed Rollins)  
 Sentinel (Spitz Channell)  
 Ann E.W. Stone & Associates, Inc.  
 The Conservative Caucus Foundation (Howard Phillips)  
 The Fund for an American Renaissance (Jim Roberts)  
 The National Congressional Club (Carter Wrenn)  
 U.S. Council for World Freedom (General Singlaub)  
 United States Justice Foundation (Jim Lacy)  
 Western Goals Foundation (Linda Guell)  
 Young America's Foundation (Ron Robinson)  
 Young Conservative Foundation (David Finzer)  
 Young Vietnamese for Freedom (Truong Quang Si)

Spitz  
 Congratulations appear to be in order for your  
 growth & vision. Sincerely  
 BOB DOLAN

## ACCOUNT SIGNATURE CARD

☐ Savings  
☒ Certificate

☐ Checking  
☐ Other

Legal Entity

Account No.

Date 12-26-85

## IRVING SAVINGS ASSOCIATION

Texas ("Accountant"), a duly qualified accountant, agrees with Accountant to maintain the above numbered account (and any additional account(s) specified below), subject to the terms and conditions herein, to be carried in the following name:

Accountholder

NATIONAL ENDORSEMENT FOR THE PRESERVATION  
OF LITERATURE

Addressed Account is

## ACCOUNT OWNER/SHIP

- ☐ Partnership: The Accountholder is a partnership and the first \_\_\_\_\_ of the undersigned are partners in said partnership.
- ☐ Corporation, Professional Corporation or Professional Association: The Accountholder is a corporation, professional corporation or professional association, and the undersigned officer(s) certify that those listed below as officer(s) are duly elected officers of Accountholder.
- ☐ Voluntary Association: The Accountholder is a voluntary association, and the undersigned officer(s) certify that those listed below as officer(s) are duly elected officers of Accountholder.
- ☐ Public Unit: The Accountholder is the State of Texas, the United States, a political subdivision of the State of Texas or the United States, or a subdivision of Texas incorporated in the State of Texas, the United States or a political subdivision thereof. If prohibited by law, the Accountholder shall not become a member of the Account.

Each of the undersigned is duly qualified and authorized to execute the account and the Association is authorized to act in all matters relating to the account to whom the undersigned is duly qualified and authorized to execute the account.

AUTHORIZED SIGNATURES

(1) [Signature] Name \_\_\_\_\_ Title \_\_\_\_\_

(2) [Signature] Name \_\_\_\_\_ Title \_\_\_\_\_

(3) [Signature] Name \_\_\_\_\_ Title \_\_\_\_\_

(4) [Signature] Name \_\_\_\_\_ Title \_\_\_\_\_

(Corporations, Professional Corporations, Professional Association and Voluntary Associations require resolutions)

11-4502 Mart Graphics Inc. (12/83)

Account No.

Authorized Signature

A 0075736



CENTRAL AMERICAN PROPOSAL

John T. (Terry) Dolan

January 6, 1986

A 0075677

## INDEX

	page
Purpose -----	1
Strategy -----	2
Key Questions -----	3
Aspects of the campaign -----	4
Field staff & in-district lobbying -----	4
Public relations -----	4
Lobbying -----	5
Direct Mail -----	6
Advertising -----	6
Staff needs -----	7
Target list -----	9
Budget -----	11
Cash flow needs -----	13

PURPOSE

\*To educate the public on the dangers of a communist takeover in Central America through the activities of a 501(c) (3) entity; and,

\*To lobby Congress to pass continuing aid to Nicaraguan Freedom Fighters.

STRATEGY

There is little doubt that Congress and the public are plagued with the Vietnam Syndrome. They are very reluctant to get America involved in any Central American conflict, despite the potential dangers of failure to act. But, in fact, there are two competing majorities on Central America: one majority is isolationist, while the other is anti-communist. For example, polling data shows that people instantly change their minds about Central America and support American involvement there, when confronted with the facts of communist control of Central America, the possibility of large numbers of refugees, and the possible use of Central America to launch a nuclear attack against America. Virtually every survey shows the American public is grossly ignorant about Central America. (see attached addendum)

The purpose of this campaign will be to refocus the issue away from isolationism towards the issue agenda that will increase public support for Ronald Reagan's position in Central America. By educating the public and framing the debate so that undecided members of Congress begin to sense grassroots pressure, the likelihood of further aid to the Contras will be increased dramatically.

It is critical that there be a two-track effort. A strong Washington lobbying presence will not be half as effective if it is not accompanied by a strong grassroots response in the form of in-district lobbying. Central America, unlike other foreign policy issues, is very difficult to understand. One of our biggest problems will be simplifying it so that the average voter will understand and contact his Congressman.

*Bus Inter-  
S. America  
Sponsor this*

#### KEY QUESTIONS

Several key questions must be answered before a complete strategy can be developed.

(1) How public does this campaign intend to be? There is great value in a splashy announcement of a multi-million dollar campaign. The idea of the bank book will get press credibility and scare some members of Congress. However, it also opens the whole effort to press scrutiny, including the names of contributors. On the other hand, any multi-million dollar effort on a hot issue is bound to attract attention, whether it's wanted or not.

(2) Do we focus activities on a small group of high-publicity Congressmen and broaden the campaign for as many as fifty Congressmen? By keeping the list of targets to a small number (5-10), you insure that each effort will be more effectively run than a larger number. The strategy would be to intimidate other Congressmen into voting right, based on what they see is happening to their colleagues. This would involve a large media presence in Washington, D.C. Of course there would be activities in other Congressmen's districts, but not the same level as the targeted Congressmen's districts.

(3) Does this organization plan to continue after the next vote, and if so, is there a desire to expand its grassroots activities? If the answers are "yes" to both, then the budget should be rewritten to incorporate a larger direct mail campaign.



ASPECTS OF THE CAMPAIGN

(1) Field Staff and In-district Lobbying - Fulltime coordinators should be hired for a selected number of Congressmen's districts. They should have the principle responsibilities of:

(a) Recruiting and organizing a prestigious group of community leaders to form a local affiliate. This committee will have the primary responsibility of overseeing the lobbying effort in that district.

(b) Generating favorable media coverage through local events and activities, as well as arranging for media coverage of national personalities, such as contra leaders, victims of Nicaraguan atrocities and others.

(c) Generating no less than fifty documentable, lobbying contacts per Congressional district per week. These contacts should preferably be in the form of personal group meetings with the Congressman in his district office. It can also take the form of letters and phone calls to the local and Washington offices.

(d) Coordinating local advertising. Each Congressional district (or media market) should be given a budget for newspaper, radio and television ads, which will be at least partially the responsibility of local coordinators. For example, a newspaper ad featuring local supporters of our efforts would require the coordinator getting large numbers of signers.

(2) Public Relations - A two-track public relations effort should be undertaken. The first part would be a national effort focused primarily in opinion-making centers, such as New York, Washington, and Los Angeles. It would include a regular series of news conferences, news releases, actualities, editorial opinion pieces and other activities. Spokesmen for this effort should include contra leaders and victims of Nicaraguan atrocities. For example, we should attempt to get Pedro Chamovo, former editor of La Prensa, before every editorial board possible and the National Press Club to scare the media. If we convince editors and reporters

*Anti  
Stall  
to  
bigging*

that the Nicaraguan government is attacking their fellow media people, this will dramatically reduce media support for Nicaragua.

It is possible to hire a Hollywood personality or sports figure to head up this drive, similar to what Ronald Reagan did for General Electric. While this might be expensive, it could generate a great deal of favorable media coverage.

The second part of the public relations effort would be primarily focused on local in-district activities, such as petition drives, meetings, and any other ideas local groups generate. At the same time as national spokesmen circulate throughout the country, they will certainly be sent to these targeted congressional districts. It will be the responsibility of the local field director to schedule these spokesmen for high publicity events, local radio talk shows and television program speeches that will generate coverage and news conferences.

I recommend you retain a fulltime public relations person or a professional service to coordinate this activity.

(3) Lobbying - Principles of lobbying: start early, line up commitments and reinforce constantly until the vote occurs. Congressmen and legislative staff should be voting right, not purely based on the persuasiveness of our position, but on the real fear that if they break their word, they will pay a political price for doing so.

I suggest we set up such a sophisticated lobbying effort that the White House and Congressional leadership will be forced to rely on us for an accurate vote count. This would require four or five sharp lobbyists, plus each Congressional office would be contacted approximately every two weeks, and a personal relationship established with each legislative director. By establishing what each target vote is doing, we can adopt local lobbying efforts to each set of circumstances. For example, some Congressmen only need gentle persuasion, while others will need an outright threat of political exposure back home.

*Barbed players for celebrity*

The idea of having a Henry Kissinger character is a good one, at least for one-to-one activities. His involvement will increase press credibility, and a meeting with him may sway a number of undecided Congressmen.

(4) Direct Mail - The level of direct mail should be determined after deciding the long-term plans of the campaign. If the interest is to stay in business after the next vote on contra aid, then a more aggressive direct mail effort should be considered.

Minimally, every targeted Congressional district should have a specialized direct mail effort meant to accomplish three things: generate lobbying contacts to the Congressman; encourage letters to the editor to generate press interest; and, recruit membership on each local committee.

Through a number of direct mail services, we can generate VIP lists in every Congressional district. These lists would include high-dollar contributors to the Congressmen, business, labor and media leaders. We would also want to get a list of conservative activists known for their willingness to call or write their Congressmen.

I would estimate these names to average 15,000 per Congressional District. They should be mailed three times. Smaller segments of the lists can be mailed more frequently.

(5) Advertising - The overall philosophy of advertising will change depending on the long-term plans of the program. If the intentions are to continue, I would recommend focusing more on direct response ads than on individual lobbying ads.

Direct response ads are generally educational and feature a toll-free number where viewers can call and receive information or volunteer their support. They need to be at least sixty seconds in length.

Standard lobbying ads would be focused toward individual Congressmen and would be "doughnut" commercials. Doughnut commercials are ads which have

segments which can be changed to focus to each Congressman. This saves money, since you don't have to produce twenty entirely different messages.

Newspaper and radio ads should be primarily focused on individual targeted Congressmen. But the toll-free number should be featured wherever possible to get information into the public's hands. It is probable that we may want to consider "educational" newspaper ads in major markets to help set the agenda.

Advertising themes should be determined by a nationwide, public opinion poll.

It is important that each of these advertising programs be well coordinated with each other and with direct mail activities. This will maximize the amount of grassroots activities generated, and will increase the perception of the Congressman that he will have political problems if he votes wrong.

The success of educational ads will depend on the overall credibility of this program and the amount of money available to put them on the air. They will accomplish two things: First, they will frame the debate about Central America on our terms, not on the opposition's terms. For example, one commercial could emphasize the increased threat of nuclear war if we do not stop the Sandinistas. Second, it will provide a vehicle for people to get information. This will be a source of local volunteers and possible contributors.

(6) Staff Needs - Since this is a five month campaign, I recommend that as many functions as possible be performed by consulting agencies rather than fulltime staff. But there will be a need for certain staff members. These include:

(a) An Executive Director and secretarial support to coordinate and execute virtually all aspects of this campaign.

(b) Field staffers whose principle responsibilities would be to generate grassroots support in targeted Congressional districts.

(c) Lobbyists whose principle responsibilities would include establishing a vote count, lobbying, and Congressional staff briefings.

TARGET LIST

By reviewing the target list by Bozell & Jacobs, I see ninety targets. This is too many. My targeting list is based on their vote analysis, which I would like to review. The critical swing members would primarily be those who switched after the Ortega visit to Moscow, and those that should have. Target districts should also take into consideration media market size, vulnerability, and the intensity of the issue.

I believe the list can be cut back dramatically as lobbying intelligence tells us who we have to worry about. I do agree that special attention should be paid to the South for three reasons:

- (1) These Congressmen are generally more conservative.
- (2) The South will bear most of the burden of a refugee problem.
- (3) A shockingly high number of these southern conservatives voted wrong.

Special attention should be given to liberal Republicans as well. For example, generation of a key primary against one or two of them would get a message to most of them.

I do recommend that the following be definitely considered on a super-target list:

1. Stallings - tough re-election; cheap media
2. McCloskey - tough re-election
3. Jones - running for Senate; moderate media costs
4. Wirth - running for Senate
5. Leach - liberal Republican; early primary, generate an opponent
6. Dorgan - running for Senate in 1986; cheap media
7. Daschle - running for Senate in 1986; cheap media

BUDGET

<u>FIELD OPERATIONS</u>	<u>Per Month</u>	<u>Five Months</u>
5 field directors @\$1,800/mon. ----	\$ 9,000 ----	\$ 45,000
Expenses -----	10,000 ----	50,000
Polls (10 polls @\$10,000) -----	20,000 ----	100,000
TOTAL (Field Operations) -----	\$ 39,000 ----	\$195,000

PUBLIC RELATIONS

Consulting fees -----	\$ 10,000 ----	\$ 50,000
Travel expenses -----	20,000 ----	100,000
Paid Spokesman -----	25,000 ----	125,000
*Polling expenses -----	10,000 ----	50,000
TOTAL (Public Relations) -----	\$ 65,000 ----	\$325,000

LOBBYING

5 Lobbyists @\$2,000/mon. each ----	\$ 10,000 ----	\$ 50,000
Expenses and briefing costs -----	5,000 ----	25,000
Outside lobbyist consulting fee --	10,000 ----	50,000
TOTAL (Lobbying) -----	\$ 25,000 ----	\$125,000

DIRECT MAIL

50 targeted Congr. districts (15,000 piece mailing/3 times)	\$506,250
--	-----------

(Direct mail will generate 15-20% of cost,  
between \$50,000 and \$120,000)

(Budget continued on next page)

	<u>Per Month</u>	<u>Five Months</u>
<u>ADVERTISING</u>		
TV production -----		\$ 20,000
Radio production -----		5,000
Newspaper production -----		5,000
TV time buys -----	\$ 80,000 ----	400,000
Radio time buys -----	35,500	175,500
Newspaper - 2/Congr. district -----		100,000
Newspaper - national ads -----		100,000
Direct response (costs, fulfillment) - 10,000 ----		50,000
TOTAL (advertising) -----	\$ 125,500 ----	\$857,500

STAFF

Executive Director -----	\$ 2,500 ----	\$ 12,500
3 Secretaries @\$1,500/mon.each --	4,500 ----	22,500
Office expenses -----	5,000 ----	25,000
Legal consultant -----	5,000 ----	25,000
Political consultant -----	3,000 ----	15,000
TOTAL (staff) -----	\$ 20,000 ----	\$100,000

SUMMARY OF TOTALS

Field Operations -----	\$ 195,000
Public Relations -----	325,000
Lobbying -----	125,000
Direct Mail -----	506,250
Advertising -----	857,500
Staff -----	100,000
GRAND TOTAL -----	\$2,108,750



CASH FLOW NEEDS

	<u>Jan.</u>	<u>Feb.</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>TOTALS</u>
Field Operations	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$195,000
Public Relations	65,000	65,000	65,000	65,000	65,000	325,000
Lobbying	25,000	25,000	25,000	25,000	25,000	125,000
Direct Mail	140,000	65,000	65,000	174,250	62,000	506,250
Advertising	150,000	155,000	150,000	297,000	105,500	857,500
Staff	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>100,000</u>
 TOTALS	 <u>\$ 439,000</u>	 <u>\$369,000</u>	 <u>\$364,000</u>	 <u>\$620,250</u>	 <u>\$316,500</u>	 <u>\$2,108,750</u>

# SENTINEL

*Advancing the Conservative Agenda*

January 16, 1988

Mrs. Julius E. Pierce  


Dear Mrs. Pierce:

Victory on this aid vote will go a very long way to, as you well say, save Ronald Reagan.

Please help us with the most generous grant you can afford.

This will probably be the most important grant you make for the rest of Ronald Reagan's presidency. We will be deeply appreciative for your generous contribution made payable to Sentinel in this emergency.

Sentinel is a lobbying group. I have enclosed a Sentinel return envelope for your convenience.

Sincerely yours,

Spitz Channell  
President

CRC/ajd  
Enclosure

A 0029501

1331 Pennsylvania Avenue, N.W., Washington, D.C. 20004 202-662-8732

## CENTRAL AMERICA FREEDOM FIGHTER EMERGENCY PROGRAM

February - March, 1987

Two events in the approaching 7 months will decide the outcome of the struggle for Freedom in Central America.

In February, Congress will determine the release of the remaining \$40 million of the 1986 Freedom Fighter Aid.

In October, the 1987 appropriation, if any, will be decided.

Both junctures are crucial to the hope for freedom in Nicaragua. If we lose these, the defeat will be permanent. We will never again have this chance to alter history and, communism will be firmly established on our mainland. Ronald Reagan's foreign policy will be ruined..

## OBJECTIVES AND TACTICS:

Our number one priority is to see that Freedom Fighter Aid continues to flow uninterrupted to the Freedom Fighters. It is important for all of us to bear in mind that although the Sandinistas supposedly have overwhelming military power they have not yet been able to defeat our Freedom Fighters. The first task, it follows, is to insure the release of the remaining \$40 million of the 1986 appropriation.

The three facets of this program (congressional lobbying, mass media, and grass roots mobilization), must be operating at full capacity in time for the February appropriations vote.

Despite press propaganda, President Reagan's policy of defending democracy in our own hemisphere has taken root in Congress. Few Congressmen have expressed a change of opinion on this subject since our summer victory. We feel we have an excellent chance of winning again. Both houses must override the President in order to stop our help from reaching the Freedom Fighters. We do not believe this will happen if we act. And we believe that we have an excellent chance of ensuring that indeed this last \$40 million of the first bill is released.

The philosophy behind this program is to aggregate our resources and focus them on the weakest points. Selected "swing-votes" in Congress will be targeted to ensure the accurate focus of the full force of our efforts. This is not a new strategy, it is however, a successful one.

A 0029522

What we propose is a multi-project offensive covering the areas of education, direct lobbying, and grass roots mobilization, to bombard the targets from all sides --but mostly within their own districts. Essentially, we are repeating our history making successful effort of last summer on a much smaller scale.

We know that one of the great challenges we, who support Freedom Fighter Aid, face is the incredible disinformation being dispersed by a vast nationwide network of 1500 grass roots organizations who openly support the Sandinista regime. It is important, if we are to reverse the lead taken by our opposition that we come out fighting on all fronts.

#### CONGRESSIONAL LOBBYING:

It is crucial to cap a successful program with a professional direct lobbying effort.

The lobbyists force the congressmen to look at the issue and what it means to their constituents. They also hold the vital function of "checking the pulse". They keep tabs on the connections between the administration and a particular Congressman, who believes what, who could be persuaded. Who is on the fence, and what it will take to bring him to our side.

This is an ongoing process, which we have continued non-stop since last year. It has guided our targeting of swing-votes and it has already been funded.

#### MASS MEDIA:

This program will feature two types of television advertising --educational (tax deductible), and motivational.

The American Conservative Foundation will sponsor educational television ads. These are designed to begin to counteract the pervasive disinformation found in newspapers, TV news programs, and circulating in church and civic groups in the communities.

Sentinel, our lobbying group, will sponsor the motivational and action ads. These ads will ask the viewer to take specific action, phone his congressman, write to his newspaper, get involved with pushing the issue.

The mass media portion of this program will feature both television and newspaper advertising. Television ads will have a 5 x a day frequency, 5 days a week. Both 30 seconds and 1 minute spots will be employed.

Newspaper ads sponsored by both groups will echo these themes, will reinforce and expand the impact of the television messages.

#### Budget

T.V. time:		
-20 media markets for six weeks	.....	\$720,000.00
-Washington, D.C. for six weeks	.....	180,000.00
Production Cost:		
Five television messages	.....	40,000.00
TOTAL		\$940,000.00

#### GRASS ROOTS MOBILIZATION:

Often times, it is not so much a matter of how many people you have on your cheering squad, but how loudly they yell. It is the function of this portion of the program to make sure our people are heard LOUD AND CLEAR.

The grass roots program will have the function of educating people and mobilizing them to act on those beliefs.

-Activist Network: We have access to a geographically dispersed pre-committed network which only lacks direction, updated information, and channels for their energy.

-Information Bureau: We will supply speakers, books, brochures, films, newsletters, etc., to active members of the network to reinforce their commitment and aid in attracting their family, friends, and colleagues to the cause.

-Management Team: We will coordinate the network and ensure it has access to all needed resources.

#### MANAGEMENT TEAM:

Spitz Channell is a veteran of 3 separate Freedom Fighter Aid battles, a qualification few can match. In that time he has come to know what works, and what doesn't. And has put together an experienced and professional organization capable of handling all aspects of this program.

Rafael Flores is a native of Guatemala and fluent in both English and Spanish. He has been an important component of the two most recent victories of Freedom Fighter Aid.

Rafael has worked continuously with Spitz on this crucial vote and has organized many public policy campaigns during his career. He will coordinate the three arms of the program, making sure that the mass media, congressional lobbying, and grass roots efforts complement each other and act together with perfect timing.

Spitz Channell's political strategy and the organizational abilities of Rafael Flores will be complimented by the expertise of a Field Director, who will coordinate and supervise a team of eight experienced grass roots organizers (please bear in mind that we are essentially repeating our victory formula of last summer). In addition, 3 interns and 2 secretaries at a strategically located, Washington office, will be responsible for coordinating the information center and the speaker's bureau.

20 TARGET AREA BREAKDOWN COST THROUGH 15 MARCH 1987  
- six weeks -

Field Organizers for 20 districts:

Texas	- 2 1/2
Florida	- 2
Tennessee	- 1 1/2
North Carolina	- 1
Kentucky	- 1

Salaries + car, food and lodging for 6 weeks	.....	\$56,000.00
---	-------	-------------

D.C. Coordinating Group:

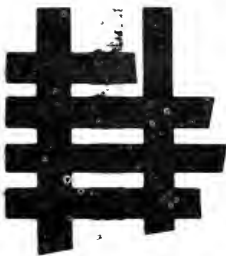
Rafael Flores  
Field Director  
Secretaries (2)  
Interns (3)

Salaries + office expenses for six weeks	.....	14,300.00
<b>TOTAL</b>		<b>\$70,300.00</b>

AMERICAN CONSERVATIVE TRUST

"Freedom Fighters TV"

National Spot Program



***the robert goodman agency, inc.***

2201 OLD COURT ROAD BALTIMORE MARYLAND 21208

4-10000-00



2201 OLD COURT ROAD BALTIMORE MARYLAND 21208 (301) 296-5330

AMERICAN CONSERVATIVE TRUST

"Freedom Fighters TV"

National Spot Program

A 0077197



***the robert goodman agency, inc.***

AMERICAN CONSERVATIVE TRUST  
 "Freedom Fighters TV"  
 National Spot Program  
 -----

I. SUMMARY

The purpose of this national television campaign is to reach those voters across the country whose incumbent Congressmen have shown (by virtue of their voting record) a lack of resolve and firm commitment on the issue of helping the Contras in Nicaragua.

Specifically, a list of these Congressman (and their home television markets) has been drafted on the basis of both their general voting record behavior and their position on three key votes on funding the "Freedom Fighters" taken in the Spring of 1985.

By design, this national television spot campaign will begin approximately six weeks before the first vote on Contra funding is taken in Congress (perhaps by the latter part of March). The relative size of the television buys in each of the targeted markets, as defined by Gross Rating Points, is as follows:

Week 1	250 GRPs
Week 2	250 "
Week 3	100 "
Week 4	100 "
Week 5	200 "
Week 6	300 "
<hr/>	
	1200 GRPs

With approximately 1200 Gross Rating Points, voters in these targeted television markets would see ACT's "Freedom Fighters" spots an average of twelve times over the course of the six-week campaign. This will ensure that the message will get through to the voters and, ultimately, to the affected Congressmen themselves.

4 007125

***the robert goodman agency, inc.*****II. SPOT PROGRAM OPTIONS**

Three distinct placement options have been developed for this television campaign to provide the American Conservative Trust with some flexibility given the uncertainty of the ultimate level of funding for this project. They differ not in GRP strength but in the number of television markets (and Congressmen) covered.

A summary of these options, and their relative cost/coverage characteristics, is enclosed.

**III. DEADLINES**

As agreed, we are preparing to launch this ad campaign by mid-February. However, given the extraordinary amount of lead time needed to secure access and spot clearance on stations in the targeted markets, we need to reach some kind of consensus on the anticipated level of funding for this project by the end of January.

The three, 30-second spots planned for this six-week series (already drafted) can be finished within days of final copy approval.

-----

*John L.*

A 0677199

**the robert goodman agency, inc. TELEVISION**

2201 OLD COURT ROAD BALTIMORE, MARYLAND 21208 (301) 296-5330

CLIENT: American Conservative  
Trust

PRODUCT:

JOB NO.:

DATE: 1/21/86

COMML. NO.: 86-330

30 (SECS)

LIVE ☐

TITLE "Choice"

PROGRAM:

FILM ☐

AIR DATE

TAPE ☐

## VIDEO

## AUDIO

Contra footage

1 Among the Contras of Nicaragua, each  
2 is a national, each a volunteer, each  
3 unpaid--yet they succeed as a dedicated  
4 force for the freedom of their country.  
5

Sandinista footage,  
training exercise.

6 Across the lines: Nicaraguans forced  
7 to serve in a Sandinista army, now re-

Squad responding to leader's  
shouts.

8 pressing human and religious rights.

Helicopter into frame.

9 Trained, indoctrinated by Cuba and sup-  
10 plied with Soviet arms. All of this

More helicopters.

11 two hours away where a government offi-  
12 cial has stated: "Nicaragua will be  
13 the door we kick down to liberate the  
14 United States."  
15

Graphic:

16 The time for us to make a choice is

NOW THAT WE KNOW...

17 ..right now.

SUPPORT PRESIDENT REAGAN  
ON NICARAGUA

18

19

Presented and paid for by  
The American Conservative  
Trust

20

21

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4 0077207

**the robert goodman agency, inc. TELEVISION**

2201 OLD COURT ROAD BALTIMORE, MARYLAND 21208 (301) 296-5330

CLIENT: American Conservative  
Trust

PRODUCT:

JOB NO.:

DATE: 1/21/86

COMML. NO.: 86-230

30 (SECS)

LIVE ☐

TITLE "While Not Aiding"

PROGRAM:

FILM ☐

AIR DATE

TAPE ☐

## VIDEO

## AUDIO

Helicopter rotors, pull  
back to see all of Mi-24 in  
training exercise.

It lands.

Scenes of Managua.

Chopper scenes

Wipe to Contra footage

Graphic:

NOW THAT WE KNOW...

SUPPORT PRESIDENT REAGAN  
ON NICARAGUA.

A message sponsored and paid  
for by The American Conser-  
vative Trust

- 1 Each day there are more of them.
- 2 They are Cuban-supplied, Soviet-built
- 3 Mi-24's. And they are here..
- 4 in numbers...on our North American
- 5 continent in Nicaragua. And with
- 6 the military infiltration, has also come
- 7 the new repressive orders against
- 8 church, and press and human rights
- 9 betraying the people of Nicaragua.
- 10 And did this escalation of terror
- 11 happen while we were aiding the military
- 12 effort of the Contra freedom fighters?
- 13 Hardly. It occured...when, and perhaps
- 14 because....we were not.
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22 A 0077101
- 23
- 24

# the robert goodman agency, inc. TELEVISION

2201 OLD COURT ROAD BALTIMORE MARYLAND 21208 (301) 296-5330

CLIENT: American Conservative  
Trust

PRODUCT:

JOB NO.:

DATE: 1/21/86

COMML NO.: 86-130

30 (SECS)

LIVE ☐

TITLE "No Wonder"

PROGRAM:

FILM ☐

AIR DATE

TAPE ☐

## VIDEO

## AUDIO

Series of dissolves, various views of Mi-24 helicopters participating in Sandinista training exercises.

Dissolve to Managuan street scenes showing faces of the people.

Soft horizontal wipe to Contra footage.

Super graphic over:

NOW THAT WE KNOW...

SUPPORT PRESIDENT REAGAN  
ON NICARAGUA.

A message sponsored and paid for by The American Conservative Trust

1 VOICE OVER, HEAVY HELICOPTER SFX

2 Here...is why President Reagan has

3 been concerned all along about Nic-

4 aragua. Soviet-built Mi-24 helicop-

5 ter gunships less than fourteen hund-

6 red miles from Houston. Arriving

7 regularly from Cuba. And with them,

8 the inevitable betrayal of the Nicar-

9 aguan people as the Sandinista govern-

10 ment suspends human, religious and

11 democratic rights indefinitely. No

12 wonder there is a Contra force of free-

13 dom fighting Nicaraguans.

14 The real wonder is that we argue about

15 supporting them.

16

17

18

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A 0077202

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24

***the robert goodman agency, inc.***

## AMERICAN CONSERVATIVE TRUST

"Freedom Fighters TV"

National Spot Program

Placement Option

OPTION I.MIAMI, FLORIDA

Affected Congressmen: Dante Fascell (D - 19th CD)  
 Claude Pepper (D - 18th CD)  
 Larry Smith (R - 16th CD)  
 E. Clay Shaw, Jr. (R - 15th CD)  
 William Lehman (D - 17th CD)  
 Dan Mica (D - 14th CD)

1200 GRPs - \$138,000.

WASHINGTON, DC

Affected Congressmen: ALL

1200 GRPs - \$125,000.

HARTFORD/NEW HAVEN, CONNECTICUT

Affected Congressmen: Nancy Johnson (R - 6th CD)  
 Barbara Kennelly (D - 1st CD)  
 Sam Gejdensen (D - 2nd CD)  
 Bruce Morrison (D - 3rd CD)  
 John Rowland (R - 5th CD)

1200 GRPs - \$ 99,000.

ORLANDO, FLORIDA

Affected Congressmen: Buddy Mackay (D - 6th CD)  
 Bill Chappell Jr. (D - 4th CD)  
 Bill McCollum (R - 5th CD)  
 Bill Nelson (D - 11th CD)  
 Andy Ireland (R - 10th CD)

1200 GRPs - \$ 60,000.

A 0077200

**the robert goodman agency, inc.**

AMERICAN CONSERVATIVE TRUST  
 "Freedom Fighters TV"

Page Two

SAN ANTONIO, TEXAS

Affected Congressmen: Kika De La Garza (D - 15th CD)  
 Al Bustamante (D - 23rd CD)  
 J.J. Pickle (D - 10th CD)  
 Henry B. Gonzalez (D - 20th CD)  
 Tom Loeffler (R - 21st CD)  
 Mac Sweeney (R - 14th CD)

1200 GRPs - \$ 54,000.

NASHVILLE, TENNESSEE

Affected Congressmen: Bart Gordon (D - 6th CD)  
 Jim Cooper (D - 4th CD)  
 Ed Jones (D - 8th CD)  
 Carroll Hubbard, Jr. (D - 1st CD KY)  
 William H. Natcher (D - 2nd CD KY)  
 Harold Rogers (R - 5th CD KY)  
 Bill Boner (D - 5th CD)  
 Don Sundquist (R - 7th CD)

1200 GRPs - \$ 51,000.

RALEIGH/DURHAM, NORTH CAROLINA

Affected Congressmen: Charles Whitley (D - 3rd CD)  
 Bill Hefner (D - 8th CD)  
 Tim Valentine (D - 2nd CD)  
 Bill Cobey (R - 4th CD)  
 Howard Coble (R - 6th CD)  
 Charlie Rose (D - 7th CD)

1200 GRPs - \$ 50,000.

GREENVILLE/SPARTANBURG, SOUTH CAROLINA  
ASHEVILLE, NORTH CAROLINA

Affected Congressmen: Butler Derrick (D - 3rd CD SC)  
 John Spratt (D - 5th CD SC)  
 Carroll A. Campbell, Jr. (R - 4th CD SC)  
 Bill Hendon (R - 11th CD NC)  
 Ed Jenkins (D - 9th CD GA)  
 Doug Barnard, Jr. (D - 10th CD GA)

1200 GRPs - \$ 41,000.

A OUTSIDE

***the robert goodman agency, inc.***

AMERICAN CONSERVATIVE TRUST  
 "Freedom Fighters TV"

Page Three

JACKSONVILLE, FLORIDA

Affected Congressmen: Charles Bennett (D - 3rd CD)  
 Buddy MacKay (D - 6th CD)  
 Don Fuqua (D - 2nd CD)  
 Bill Chappell, Jr. (D - 4th CD)  
 Robert Lindsay Thomas (D - 1st CD GA)  
 J. Roy Rowland (D - 8th CD GA)

1200 GRPs - \$ 41,000.

LOUISVILLE, KENTUCKY

Affected Congressmen: Romano Mazzoli (D - 3rd CD)  
 Lee H. Hamilton (D - 9th CD IND)  
 William D. Natcher (D - 2nd CD)  
 Gene Snyder (R - 4th CD)  
 Larry J. Hopkins (R - 6th CD)

1200 GRPs - \$ 37,000.

AUSTIN, TEXAS

Affected Congressmen: J.J. Pickle (D - 10th CD)  
 Marvin Leath (D - 11th CD)  
 Mac Sweeney (R - 14th CD)  
 Tom Loeffler (R - 21st CD)

1200 GRPs - \$ 35,000.

KNOXVILLE, TENNESSEE

Affected Congressmen: Jim Cooper (D - 4th CD)  
 Harold Rogers (R - 5th CD KY)  
 James H. Quillen (R - 1st CD)  
 John J. Duncan (R - 2nd CD)  
 Marilyn Lloyd (D - 3rd CD)

1200 GRPs - \$ 33,000.

EL PASO, TEXAS

Affected Congressmen: Ron Coleman (D - 16th CD)

1200 GRPs - \$ 20,000.

A 0077203



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AMERICAN CONSERVATIVE TRUST  
 "Freedom Fighters TV"

Page Four

McALLEN/BROWNSVILLE, TEXAS

Affected Congressmen: Kika De La Garza (D - 15th CD)  
 Solomon P. Ortiz (D - 27th CD)

1200 GRPs - \$ 14,000.

COLUMBUS/TUPELO, MISSISSIPPI

Affected Congressmen: Jamie Whitten (D - 1st CD)  
 Webb Franklin (R - 2nd CD)  
 G.V. Sonny Montgomery (D - 3rd CD)

1200 GRPs - \$ 12,000.

OPTION I. TOTALS: \$ 810,000.

59 Congressmen

OPTION TWO II.

All of the markets covered in Option I, with the following additions:

PITTSBURGH, PENNSYLVANIA

Affected Congressmen: John Murtha (D - 12th CD)  
 Alan Mollohan (D - 1st CD WVA)  
 William Clinger (R - 23rd CD)  
 Thomas Ridge (R - 21st CD)  
 Joe Kolter (D - 4th CD)  
 William J. Coyne (D - 14th CD)  
 Doug Walgren (D - 18th CD)  
 Joseph M. Gaydos (D - 20th CD)  
 Austin J. Murphy (D - 22nd CD)

1200 GRPs - \$ 91,000.

4 0077206

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AMERICAN CONSERVATIVE TRUST  
 "Freedom Fighters TV"

Page Five

OKLAHOMA CITY, OKLAHOMA

Affected Congressmen: Wes Watkins (D - 3rd CD)  
 David McCurdy (D - 4th CD)  
 Mickey Edwards (R - 5th CD)  
 Glenn English (D - 6th CD)  
 Mike Synar (D - 2nd CD)

1200 GRPs - \$ 44,000.

TULSA, OKLAHOMA

Affected Congressmen: Jim Jones (D - 1st CD)  
 Wes Watkins (D - 3rd CD)  
 Mike Synar (D - 2nd CD)  
 Mickey Edwards (R - 5th CD)

1200 GRPs - \$ 33,000.

LITTLE ROCK, ARKANSAS

Affected Congressmen: Tommy F. Robinson (D - 2nd CD)  
 Bill Alexander (D - 1st CD)  
 John Paul Hammerschmidt (R - 3rd CD)  
 Beryl Anthony, Jr. (D - 4th CD)

1200 GRPs - \$ 33,000.

OPTION II. TOTALS: \$ 1,011,000.

78 Congressmen

OPTION III.

All of the markets covered in Option I and Option II, with  
 the following additions:

ST. LOUIS, MISSOURI

Affected Congressmen: Melvin Price (D - 21st CD ILL)  
 William L. Clay (D - 1st CD)  
 Robert A. Young (D - 2nd CD)  
 Richard A. Gephardt (D - 3rd CD)

A 0077201

***the robert goodman agency, inc.***

AMERICAN CONSERVATIVE TRUST  
 "Freedom Fighters TV"

Page Six

ST. LOUIS, MISSOURI (Continued)

Affected Congressmen: Bill Emerson (R - 8th CD)  
 Harold L. Volkmer (D - 9th CD)  
 Richard J. Durbin (D - 20th CD ILL)  
 Kenneth J. Gray (D - 22nd CD ILL)

1200 GRPs - \$ 74,000.

MILWAUKEE, WISCONSIN

Affected Congressmen: Les Aspin (D - 1st CD)  
 Robert W. Kastenmeier (D - 2nd CD)  
 Gerald D. Kleczka (D - 4th CD)  
 Jim Moody (D - 5th CD)  
 Thomas E. Petri (R - 6th CD)  
 F. James Sensenbrenner (R - 9th CD)

1200 GRPs - \$ 59,000.

CINCINNATI, OHIO

Affected Congressmen: Bill Gradison (R - 2nd CD)  
 Thomas A. Luken (D - 1st CD)  
 Bob McEwen (R - 6th CD)  
 Thomas N. Kindness (R - 8th CD)  
 Lee H. Hamilton (D - 9th CD IND)  
 Gene Snyder (R - 4th CD KY)  
 Larry J. Hopkins (R - 6th CD KY)  
 Carl C. Perkins (D - 7th CD KY)

1200 GRPs - \$ 52,000.

ROCHESTER, NEW YORK

Affected Congressmen: Frank Horton (R - 29th CD)  
 Fred J. Eckert (R - 30th CD)  
 Jack F. Kemp (R - 31st CD)  
 John J. LaFalce (D - 32nd CD)

1200 GRPs - \$ 35,000.

A 0077208

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AMERICAN CONSERVATIVE TRUST  
 "Freedom Fighters TV"

Page Seven

ALBUQUERQUE, NEW MEXICO

Affected Congressmen: Bill Richardson (D - 3rd CD)  
 Mike Strang (R - 3rd CD CO)  
 Manuel Lujan, Jr. (R - 1st CD)  
 Joe Skeen (R - 2nd CD)

1200 GRPs - \$ 33,000.

SYRACUSE, NEW YORK

Affected Congressmen: Frank Horton (R - 29th CD)  
 Sherwood Boehlert (R - 25th CD)  
 George C. Wortley (R - 27th CD)

1200 GRPs - \$ 31,000.

MEMPHIS, TENNESSEE

Affected Congressmen: Ed Jones (D - 8th CD)  
 Jamie Whitten (D - 1st CD MS)  
 Bill Alexander (D - 1st CD AR)  
 Harold E. Ford (D - 9th CD)  
 Don Sundquist (R - 7th CD)

1200 GRPs - \$ 31,000.

WILKES BARRE/SCRANTON, PENNSYLVANIA

Affected Congressmen: Paul Kanjorski (D - 11th CD)  
 William Clinger (R - 23rd CD)  
 Joseph M. McDade (R - 10th CD)

1200 GRPs - \$ 31,000.

BANGOR, MAINE

Affected Congressmen: Olympia Snowe (R - 2nd CD)  
 John McKernan (R - 1st CD)

1200 GRPs - \$ 28,000.

A 0077204

PORTLAND/POLAND SPRINGS, MAINE

Affected Congressmen: John McKernan (R - 1st CD)  
 Olympia Snowe (R - 2nd CD)

1200 GRPs - \$ 24,000.

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AMERICAN CONSERVATIVE TRUST  
 "Freedom Fighters TV"

Page Eight

JOHNSTOWN/ALTOONA, PENNSYLVANIA

Affected Congressmen: Bud Shuster (R - 9th CD)

1200 GRPs - \$ 17,000.

WHEELING, WEST VIRGINIA  
STEUBENVILLE, OHIO

Affected Congressmen: Alan Mollohan (D - 1st CD WVA)  
 Douglas Applegate (D - 1st CD OH)

1200 GRPs - \$ 16,000.

ERIE, PENNSYLVANIA

Affected Congressmen: Thomas Ridge (R - 21st CD)  
 William Clinger (R - 23rd CD)

1200 GRPs - \$ 12,000.

CLARKSBURG/WESTON, WEST VIRGINIA

Affected Congressmen: Alan Mollohan (D - 1st CD)  
 Harley O. Staggers, Jr. (D - 2nd CD)  
 Bob Wise (D - 3rd CD)

1200 GRPs - \$ 9,000.

IDAHO FALLS/POCATELLO, IDAHO

Affected Congressmen: Richard Stallings (D - 2nd CD)

1200 GRPs - \$ 9,000.

OPTION III. TOTALS: \$ 1,472,000.

117 Congressmen

A 0077210

PLAN OF ACTION TO LOBBY CONGRESS ON MILITARY AID FOR THE  
NICARAGUAN RESISTANCE

Military aid for the Nicaraguan resistance will be won or lost in the Democratic party, won or lost in the House of Representatives. Our principal effort will be to work with Democrats and the Administration to find the winning coalition. Our hope is to maintain the large majority in the House supporting aid to the resistance that was forged last Spring. Only that kind of strong bipartisan support will sustain a policy that has so many determined opponents in the American political system.

Our specific tasks will be the following:

1. First and foremost and continuously through this process, *who is not missing?* we will maintain contact with the Democrats and Republicans who forged the winning coalition last Spring. We will also look for the emergence and try to develop new leaders on the issue.

2. We will identify the themes that are driving the debate at the national level, e.g. human rights, Contadora, the role of the Cubans, Nicaragua's interference in other countries. We will break this down in terms of the themes of greatest concern to the 40-70 swing votes and the themes used by the opponents of aid. *how frequent?*

3. We will periodically produce an assessment of how the identified swings are likely to vote and to the extent possible what forces are active in their districts *(see rd p below)*

4. We will maintain continuous liaison with the Administration. *what?*

5. We will take the members of the UNO Directorate and other Nicaraguans to the hill in order to raise the level of knowledge of what UNO is trying to accomplish.

(6) Weekly updates (summary) of activities, status and *gain what and on paper*

Prepared by Bruce P. Cameron

January 24, 1986

(7) Statement of organization within NERF *Internal and under ISC.*

(8) Regular briefing (?) Breakdown of briefing?

NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20501

January 24, 1986

Dear Mary:

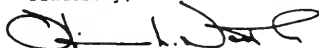
During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been ever more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

Last year was a challenging time for America and her President. But, we are headed in the right direction. Today, in all of Central America only Nicaragua is not a democracy. You can be proud that you have made a crucial contribution in helping our President in this vital endeavor. In the weeks ahead, we will commence a renewed effort to make our assistance to the Democratic Resistance Forces even more effective. Once again your support will be essential.

All my best for the New Year and God bless you.

Sincerely,



Oliver L. North  
Deputy Director  
Political-Military Affairs

Dr. Mary Adamkiewicz

  
Milford, DE 19963

A 0029659





THE WHITE HOUSE  
WASHINGTON

## ISSUES AND RESOURCES BRIEFING

### ON CENTRAL AMERICA

January 31, 1986, Noon -- Room 450 EOB

✱   ✱   ✱   ✱   ✱

12:00 Noon      Welcome -- Linas Kojelis, Special Assistant  
                      to the President for Public Liaison

"Nicaragua: An Update" -- Oliver North,  
Deputy Director of Political Military  
Affairs, National Security Council

12:45 p.m. "Central American Overview: An Update" --  
John Blacken, Coordinator (Acting) of  
Public Diplomacy for Latin America and  
the Caribbean, Department of State

Presentation of Resources -- Steve Johnson,  
Office of Public Diplomacy for Latin  
America and the Caribbean, Department of  
State

• • • • •

Daniel J. Edelman, Inc. 1730 Pennsylvania Avenue, N.W. Washington, D.C. 20006 phone 202 393 1300  
 telex 440-218  
 telecopier 202 737 5498

# EDELMAN

public relations

February 5, 1986

Mr. Dan Conrad  
 Executive Director  
 National Endowment for  
 the Preservation of Liberty  
 305 4th Street, N.E.  
 Washington, D.C. 20002

Dear Dan:

We are pleased to confirm the arrangement under which we will be serving as public relations counsel to the National Endowment for the Preservation of Liberty effective February 6, 1986.

The agreement is for the period of February 6, 1986 through April 15, 1986.

In accordance with this letter of agreement, we shall exert our best efforts in pursuing such courses of action designed to best serve your interests in the field of public relations.

You agree to pay our firm, as compensation for our professional services, a personnel fee of \$15,000.00 for the months of February and March, and a personnel fee of \$7,500.00 for the month of April, and payable within the month. It is also agreed that you will reimburse us for expenses and disbursements directly incurred and paid by us in the performance of the public relations services. There will be a standard 17.65% service charge on these expenses which have been prepaid by our firm in your behalf. All invoices are due and to be paid within 30 days after the date of the invoice.

The fee for professional services covers activities in the United States only. If the program entails services of our foreign offices or affiliates, there will be an additional time charge for such services.

You agree to indemnify and save us harmless from and against all liability including all actions, claims, damages, costs, and attorneys fees, which we may incur (or to which we may be a party), arising out of actions taken or statements made by us at your direction or based upon information provided by you.

A 0076225

Chicago Dallas Houston Los Angeles Miami New York St. Louis San Francisco Washington  
 Buenos Aires Dublin Frankfurt Hong Kong Kuala Lumpur London Singapore Tokyo

Daniel J. Edelman, Inc

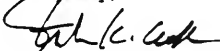
Mr. Dan Conrad  
February 5, 1986  
Page 2

It is understood that you shall not, whether directly or indirectly, employ, hire, or retain, and that you shall not recommend to others the employment, hiring or retention of, as an employee, agent, independent contractor or otherwise, any person employed by us for one year following the termination of the arrangement.

We are pleased to have this opportunity of being of service and assure you that we will extend every effort to make the program extremely productive for you.

Please sign both copies of this letter, retaining the original for your files and returning the copy to us.

Sincerely,



Stephen R. Cook  
Executive Vice President  
FOR DANIEL J. EDELMAN, INC.

SKC:alo

ACCEPTED:

---

FOR: THE NATIONAL ENDOWMENT FOR THE PRESERVATION OF LIBERTY

A 0076226



February 26, 1986

Mr. Spitz Channel  
President  
National Endowment for the  
Preservation of Liberty  
305 4th Street, NE - Suite 210  
Washington, D.C. 20002

Dear Mr. Channel:

It is with great pleasure that I submit this agreement to assist the initiative to gain legislative clearance for \$100 million to support the aid package for the Nicaraguan Freedom Fighters. I have promised to give my personal time.

Our mutual agreement is to work for three weeks at \$5,000 per week, plus expenses which will be billed at cost.

We commend the initiative that was undertaken to date including the magnificent fundraising job.

1. MISSION:

To network with organizations -- national and grassroots with a goal to influence targeted Congressional votes. We understand you have revised the target list and we will receive it within 48 hours. The initial list of priorities you gave us is 32 Democrats and 33 Republicans. Your list of House members who voted against the \$14 million in military aid on April 23, 1985 and who voted in favor of \$27 million in humanitarian aid on June 12, 1985. This is an excellent list. Though these congressmen are primarily located in the southeast part of the United States, that is particularly true of the Democratic list you gave us, not of the Republicans.

The listing we received by states would be our targets for congressional letters. Our mission is concentrating on letters from the district to the targeted Congressmen. As your priority targets changes, we will be informed. We realize there may be other opportunities. These include group/individuals willing to go to their local media, "walk-ins" and other activities at the local level -- to influence specific congressional votes.

A 0074856

NIC:01

1250 Eye Street NW

Washington DC 20005

(202) 371-1515

Mr. Spitz Channel  
February 26, 1986  
Page 2

#### II. MATERIALS:

It will be extremely important to prepare simple materials very quickly, including model statements for letters. Thank you for the materials you provided. The arguments presented enunciate fully the particular arguments about communism, persecution and aggression against the Church by the Sandinista government. We have also pulled together data on numbers and construction, of refugees, primarily women and children, military build ups and the exploration of revolution to surrounding countries, further exasperating the stability of the region.

#### III. TIMETABLE:

We do not know the precise timetable. We understand the effort could last longer than three weeks. You have asked us to concentrate the activities on the idea of a three week initiative. This agreement shall only be in effect for three weeks.

#### IV. NUMBERS TO BE GENERATED:

Our understanding is that nothing is more important than results. No matter how many groups we talk to, the only important point is RESULTS. In our initial chart, the projection is for ~~30,000~~ letters. *22f* We will better know after we complete the first week and give you that analysis of our accomplishments. Already we have tentative commitments from approximately ten major groups. That is significant. Note the following timetable:

##### A) Weeks 1, 2 and 3:

##### 1. Identify and make initial calls to relevant grassroots groups.

- Women
- Military
- Conservative
- Religion (if possible)
- Other

##### 2. Prepare the required materials

- receive commitments
- distribute materials

##### 3. Phone follow-up (where necessary) and personal visits to the national liaisons. Make calls where needed to build on additional groups if necessary. Make local calls.

- Prepare report that shows activity with the minimum of 15 groups and hopefully the target project of the ~~100,000~~ letters at the minimum. *EF\**

##### 4. Continue to make contacts. Follow-up in the areas.

- Feed in results from phone calls and visits (if necessary on a daily basis to Dan).
- Provide report at the end of the three weeks, full-blown of what our understanding is of what has been accomplished for all targeted districts by each group which participated.

*EF\** 25,000 letters

Mr. Spitz Channel  
February 26, 1986  
Page 3

V. GROUPS:

We have provided you an initial list of groups (and keep adding).

These groups naturally break down into categories. The attached list should prove helpful. We are breaking out individual assignments. For example, I personally will concentrate on the women's groups and some of the military groups we got to know during our activities with the armed services; Hispanic groups; some of the conservative groups.

VI. BUDGET:

The total budget that we propose comes to \$15,000 or \$5,000 per week, plus expenses, not to exceed \$3,500.

What follows is an estimated breakdown of time and expenses. The expenses are:

<u>Materials &amp; Reproduction</u>	\$ 500
<u>Telephone</u>	300
<u>Messenger</u>	450
<u>Taxi &amp; Transportation</u>	70
<u>Miner &amp; Fraser postage</u>	200
	\$ 1,520

NOTE:

Vouchers at cost will be submitted for everything.

We do not cover postage for outside groups. We would like to have this considered on a case by case basis.

I commit the following:

- You will have a weekly progress report of groups who have been contacted, commitments made by each and expectation of results.
- The follow-up activity will be spelled out. You will have a projection of what congressional districts they have taken and the number of letters projected as well as the expected follow-up accordingly.
- All of this "results-oriented" approach will be reflected in our weekly reports.

VIII. MANAGEMENT OF THE PROJECT:

Dan Conrad will be in charge of the project from your vantage point and review our weekly progress report. You will also review them and give us any specific feedback. On our side, I will be solely responsible.

IX. A SPECIAL NOTE:

Both parties insist on "low visibility". We must maintain a low-key stance and both parties, in fact, insist on it.

Mr. Spitz Channel  
February 26, 1986  
Page 4

X. SHORT TERM FOCUS:

This agreement covers the period beginning February 26, 1986 and terminating March 19, 1986. Any continuation of this agreement must be negotiated (as stated on page 2 during the fifth week of the contract). Again we emphasize the short-term focus and the need to prove results. All understand that.

XI. UTHER:

All materials, data and information that is prepared or originated by M&F and performance of the services during this agreement in support of the legislation for the aid will become your exclusive property. M&F will not have the right to use, reproduce or disclose these materials without your permission.

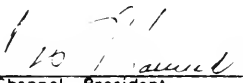
XII. PAYMENT:

The first \$5,000 will be submitted upon signature of agreement, the second \$5,000 will be given on March 5th and the last \$5,000 will be submitted on completion of the 3rd Week, March 19th, of which we will submit the final report. The expense bill will be submitted with voucher for payment the week of March 24, 1986.

XIII. CONCLUSION:

This project stands as signed.

Sincerely,

  
Carl Channel, President  
NEPL

  
Edie Fraser, President  
Miner & Fraser Public Affairs, Inc.

Accepted on FEBRUARY 26, 1986

CC: THOMAS H. MINER

**PRODEMCA**  
**FRIENDS OF THE DEMOCRATIC CENTER IN CENTRAL AMERICA**  
 729 15TH STREET, N.W., SUITE 950, WASHINGTON, DC 20005 202/347-1006

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 COALITION FOR DEMOCRATIC MAJORITY  
 ELIE WIESEL  
 AUTHOR  
 DENISE O'LEARY  
 EXECUTIVE DIRECTOR

March 4, 1986

**MEMORANDUM**

TO: Dan Conrad  
 National Endowment for the Preservation of Liberty

FROM: Penn Keable

- 1) I have attached a statement in support of U.S. military assistance to the Nicaraguan resistance and a preliminary list of endorsers. PRODEMCA would like to publish this a full-page advertisement in the daily Washington Post, and distribute glossy reprints to a number of political and civic leaders.

I have attached a budget. In the event that the Endowment was able to handle graphic design and typesetting the costs would be reduced by the amounts specified. It might also be possible to find a friendly advertising agent -- I know of one if you do not -- who would rebate the customary 10% commission to the organization.

Daily full page Ad, <u>Washington Post</u>	\$30,360
Typesetting & design (approximate)	\$ 2,000
Reprinting ad, oversize on cloy paper 1,000 copies	\$ 750
Postage and messenger service for ad circulation	\$ 250
<b>TOTAL</b>	<b>\$33,360</b>

A 0029699

\*Member of the Executive Committee  
 (All officers are for nomination  
 purposes only)

A nonprofit, nonpartisan educational organization formed by private citizens who support  
 democracy, human rights and social justice in Central America.



2. If -- an important if -- a broad and distinguished group of sponsors can be found to hold an emergency conference on Nicaraguan aid during the next few weeks, such a conference could give symbolic witness to the fact that, despite many differences within it, there in fact is a natural majority in the U.S. Congress for military assistance. Such a conference, for example, could be sponsored by Senator Richard Lugar, Congressman Dave McCurdy and Jack Joyce of the Bricklayers Union. It would bring into public focus the fact that this important national interest is being obstructed by narrowly partisan, shortsighted political tactics, especially in the House of Representatives.

Such a conference would draw primarily from the Washington political community. The basic costs would involve hotel meals, invitations and honoraria.

Staff costs		\$2,000
Conference Coordinator (2 weeks)	\$1,500	
Secretary	\$ 500	
Telegram Invitations to 1000		\$2,500
Hotel luncheon for 200 @ \$30.00		\$6,000
Miscellaneous		\$1,500
Handout materials, photographer, Taping, transcription, distribution		
<b>TOTAL</b>		<b>\$12,000</b>

3. Young leaders delegation from Nicaragua.

Few in the U.S. have been exposed to the most attractive aspect of the Nicaraguan resistance; the idealistic young people who have joined the effort to free their homeland. In the camps of the resistance one encounters young doctors, lawyers, teachers and other professionals who could not possibly be associated with the Somoza era, and who speak eloquently (in English) about their own efforts in the resistance struggle. If -- another critical if -- sponsors in the U.S. could open doors to the media for these people could be persuaded to do so, they could make a very major impact here. It would be well worth bringing three of them here in the next few weeks.

Round trip air fare @ \$700 x 3	\$2,100
Hotel - 4 days @ \$125 x 3	\$1,500
Staff assistance in U.S.	<u>\$ 500</u>
<b>TOTAL</b>	<b>\$4,100</b>

A 0029700

March 19, 1986

To: Dan Conrad, Sentinel

From: Eric Singer, Center for Democracy in the Americas

Re: Projections on tomorrow's vote in the House.

A 0076810

## DEMOCRATS

<u>For</u>	<u>Against</u>	<u>Undecided</u>
*Erdreich(AL-6)	Fuqua(FL-2)	**Thomas(GA-1)
-Robinson(AR-2)	MacKay(FL-6)	**Hatcher(GA-2)
Bennett(FL-3)	*Rowland(GA-8)	Heftel(HI-1)
*Mica(FL-14)	*Barnard(GA-10)	Vazzoli(KY-3)
**Smith(FL-16)	Stallings(ID-2)	Long(LA-8)
**Pepper(FL-18)	Price(IL-21)	Whitten(MS-1)
**Fasce11(FL-19)	Richardson(MI-3)	Biaggi(NY-19)
+Skelton(MD-4)	Whitley(NC-3)	Jones(OK-1)
Watkins(OK-3)	Hefner(NC-8)	Jones(TN-8)
**English(OK-6)	McCurdy(OK-4)	de la Garza(TX-15)
+*Tallon(SC-6)	Kanjorski(PA-11)	Andrews(TX-25)
+Gordon(TN-6)	Derrick(SC-3)	Vollman(WV-1)
**Boner(TN-5)	Spratt(SC-5)	
**Hall(TX-4)	+Lloyd(TN-3) (announced)	
*Ortiz(TX-27)	Cooper(TN-4)	
*Leath(TX-11)	Pickle(TX-10)	
+*Stenholm(TX-17)	Coleman(TX-16)	
**Sisisky(VA-4)	Bustamante(TX-23)	
	Aspin(WI-1)	

\*Member who voted for \$14 million last April but who publically expressed reservations on the President's bill this March.

\*\*Member who voted for military aid last April, but included on the recommendation of Dan Kuykendall.

+Member has signed Skelton Letter, which would leave President's legislative proposal intact.

## REPUBLICANS

<u>For</u>	<u>Against</u>	<u>Undecided</u>
Jim Kolbe(AZ-5)	McKinney(CT-4)	Meyers(KS-3)
Ed Zschau(CA-12)	McKernan(ME-1)	Davis(MI-11)
	Snowe(ME-2)	
	Frenzel(MN-3)	Fish(NY-21)
Fawell(IL-13)	Horton(NY-29)	Regula(OH-16)
Madigan(IL-15)	Gradison(OH-2)	Clinger(PA-23)
Martin(IL-16)	Ridge(PA-21)	Morrison(WA-4)
Tauke(IA-2)	Rowland(CT-5)	Chandler(WA-8)
Hopkins(KY-6)		Gunderson(WI-3)
Bereuter(NE-1)		Goodling(PA-19)
Smith(NE-3)		
Gregg(NH-2)		
Rinaldo(NJ-7)		
Gilman(NY-22)		
Smith(OR-2)		
McDade(PA-10)		
Roukema(NJ-5)		

---

My vote count as of March 19, 1985: 200-212, with 21 undecided votes.\*

\* On April 23, 1985 vote on \$14 million military aid was defeated, 180-248. Six members not counted in the vote were, with their positions noted here: Badham, Byron (signer of Skelton letter), Vanderjact, and Daniel-- all in favor; and Rodino, McCloskey -- both against. The baseline count thus becomes 184-249 (O'Neil will vote only if there's a tie and one "no" vote, Addabbo's, is comatose.) Then subtract from those voting in favor the seven "military aid" signers of the Slattery letter and two military aid proponents now against the President's bill (Rowland and Barnard). The tentative figure becomes 175-258. Adding 25 new votes for aid and then subtracting the 21 "undecided" (see list) leaves a figure of 200 in favor, 212 against.

A 0078812

## CENTER FOR DEMOCRACY IN THE AMERICAS

789 15th Street, NW • Suite 940 • Washington, DC 20005 • (202)347-338.

Penn Kemble  
chairman

Bruce Cameron  
president

March 19, 1986

To: Dan Conrad  
From: Bruce P. Cameron  
Re: Activities Report, March 15-March 19

<u>Date</u>	<u>Activities/Meetings</u>
3/14	Congressman Rod Chandler
3/16	Meeting with Rod Chandler's staff, who, working with the Administration, subsequently put together a draft Executive Order as the basis for a possible compromise. On 3/14 Chandler estimated it would bring 8 Republicans on board.
3/17	Meeting with Chandler's staff  Meeting with Skelton's staff (Tommy Glakas)  Meeting with Arturo Cruz re: his scheduled meeting with McCurdy 3:15  E. Singer debates Bill Schapp of Covert Action on WBAI, New York, 7:15 - 8:00 p.m.
3/18	Talked with seven members who attended the bipartisan meeting of Democrats and Repubs. to work on a compromise.  Spoke to the Roosevelt Club: Reps. McKewen, Weber, McCain, and Siljander.  Spoke at CSIS (Georgetown) meeting with five members present on the danger of Soviet/Cuban presence on American mainland, progress of UNO reform, to rebut Edgar Chamorro

A 0076222

## CENTER FOR DEMOCRACY IN THE AMERICAS

729 15th Street, NW \* Suite 940 \* Washington, DC 20005 \* (202)347-3383

*Peron Kamble*  
*chairman*

*Bruce Cameron*  
*president*

Date

3/19

Activities/Meetings

Took Robelo and Cruz to final meeting with McCurdy before vote. At this point, McCurdy is trying to get an early vote on his compromise. If the speaker acquiesces, he will vote against the President's package and oppose the Executive Order.

Meeting with Arturo Cruz.

Singer finishes op-ed with Roberto Ferrey to appear in LA Times tomorrow. Copies of piece will be distributed to members before the vote.

E. Singer worked with Steve Cochran of Buddy Roemer's office (D-LA) to send out a "Dear Colleague" letter with Fred Barnes' piece on the contras attached.

A 0076223

**MCI Mail**

The nation's new r

March 21, 1986

Angele J. Davis

Washington, D.C. 20002

DEAR

WE THOUGHT YOU WOULD LIKE TO KNOW THE NAMES OF CONGRESSMEN WHO ARE MEMBERS OF THE PRESIDENT'S PARTY WHO VOTED AGAINST THE MILITARY AND HUMANITARIAN AID FOR THE NICARAGUAN FREEDOM FIGHTERS. LISTED BELOW ARE THOSE REPUBLICANS WHO VOTED AGAINST THE PRESIDENT AND AGAINST FREEDOM:

CONGRESSMAN BOEHLERT (R - NY)  
 CONGRESSMAN CONTE (R - MA)  
 CONGRESSMAN FRENZEL (R - MN)  
 CONGRESSMAN GREEN (R - NY)  
 CONGRESSMAN HOPKINS (R - KY)  
 CONGRESSMAN HORTON (R - NY)  
 CONGRESSMAN JEFFERS (R - VT)  
 CONGRESSMAN LEACH (R - IA)  
 CONGRESSMAN LIGHTFOOT (R - IA)  
 CONGRESSMAN MCKINNEY (R - CT)  
 CONGRESSMAN RIDGE (R - PA)  
 CONGRESSMAN ROLAND (R - CT)  
 CONGRESSMAN SCHNEIDER (R - RI)  
 CONGRESSMAN SNOW (R - MA)  
 CONGRESSMAN TAUKE (R - IA)  
 CONGRESSMAN WYLIE (R - OH)

SINCERELY, YOURS,

THE AMERICAN CONSERVATIVE TRUST (ACT)  
 SPITZ CHAMWELL, PRESIDENT  
 F. CLIFTON SMITH, TREASURER

A 0075874



2201 OLD COURT ROAD BALTIMORE, MARYLAND 21208 (301) 296-5330

March 31, 1986

Mr. Spitz Channell  
NATIONAL ENDOWMENT FOR THE  
PRESERVATION OF LIBERTY  
305 4th Street, N.E.  
Washington, D.C.

Dear Spitz:

Congratulations.

The National Endowment's television campaign in support of the Nicaraguan "freedom fighters" not only has all of official Washington talking, but has broken new ground in the area of public policy advocacy.

By using creative television messages to educate and enlighten elected officials in Washington, and their constituents back home, N.E.P.L. has established new precedents for affecting Congressional attitudes on pending legislation. Better yet, through its efforts on the Contra aid issue, N.E.P.L. has now become a major player in the critical arena of American foreign policy.

As you recall, we began with one clear objective: winning Congressional approval of the President's \$100-million aid request for Nicaraguan Contras fighting the forces of communist Sandinistas for control of their homeland. Further, we designed an overall strategy predicated on the simple premise: Americans, and their elected representatives, when properly informed, will not only stand up for what is right but will fight for it.

Given the United States Senate's recent approval of a Contra funding bill, and clear signs that the House of Representatives will soon follow suit, we feel the National Endowment's ambitious program will achieve its ultimate objective.

By design, we launched the four-week national television ad campaign in Washington, DC, in late February. This reflected the economy of reaching all 435 Members of the House (and 100 United States Senators) in one sitting. Beginning with Week 2, and running through the first decisive House vote in late March, we also aired spot commercials in 23

A 0077744



**the robert goodman agency, inc.**

Mr. Spitz Channell  
 March 31, 1986  
 Page Two

additional television markets across the country.

These targeted markets, covering the home Districts of nearly thirty Congressmen experts considered to be at the core of the key "swing vote" on Contra funding, added scope and credibility to the ad campaign. In fact, N.E.P.L.'s national television spot series was ultimately seen by more than 33 million people, or one out of every seven Americans.

More impressively, this head count doesn't even include the tens of millions of Americans who saw, and/or read about, our spots courtesy of the national press and network television (this alone was worth an estimated \$5-10 million in free publicity for N.E.P.L. and the President's Contra aid program).

As your creative advisors and producers, we are extremely gratified by the great reviews N.E.P.L.'s spot commercials received from the White House, the national press corps, and the American public.

By way of summary, N.E.P.L. produced seven commercials for the national ad campaign designed to dramatize facts and information which have a direct bearing on the whole issue of continued American aid to the freedom fighters. A brief description of these television spot productions follows:

"Terrorist Influence" -- A graphic illustration of the growing influence of Libya's Muammar Kaddafi and other terrorist groups in Nicaragua today

"Refugees" -- A profile of the displacement and persecution of Nicaraguans under the Sandinista communists (one out of every six Nicaraguans is now a refugee)

"Facts" -- Religious persecution is documented through the real stories of burned-out synagogues, expelled priests, and tortured evangelicals under the Sandinista regime

A 0077745

**the robert goodman agency, inc.**

Mr. Spitz Channell

March 31, 1986

Page Three

- "Helicopters" -- A visceral and ominous display of continuing Soviet military aid to the Sandinistas...Dramatic footage of Soviet-made helicopter gunships has made this spot the centerpiece of N.E.P.L.'s national ad campaign
- "They Are Us" -- A more personal portrayal of the freedom fighters and displaced Nicaraguans linked to Americans and our nation's commitment to freedom
- "Tip's Shame" -- This 10-second commercial documented a statement made by House Speaker O'Neill, stating in part: "It would be a disaster and a shame for our country" to support the freedom fighters..."since when have Americans been ashamed to stand up for freedom?"
- "Letter" -- A dramatization of a future time when an American soldier writes to his folks before being sent off to fight in Nicaragua...An Orwellian warning of what could happen should the Congress deny the cause of the Contras today

Concerning the actual placement of spots, N.E.P.L. aired these commercials, cumulatively, over 1100 times in Washington and the other targeted television markets. In terms of message frequency, this meant that the average viewer saw our freedom fighter spots at least five times over the course of the campaign (in Washington, this average was nearly doubled).

N.E.P.L.'s national television campaign achieved one more important thing: it influenced votes.

For example, N.E.P.L. advertised in four of Florida's biggest television markets, covering the home Districts of 16 Congressmen. On the final House vote on Contra funding in late March, 14 of the 16 Congressman sided with the President in support of the freedom fighters. This is dramatic considering many of these Congressmen were considered to be on that "swing vote" list mentioned above.

A 0077746

**the robert goodman agency, inc.**

Mr. Spitz Channell  
 March 31, 1986  
 Page Four

The results were even more impressive in markets like Jackson (MS) and Savannah (GA) where our success rate on the final vote tally hit 100%!

As you know, the national television campaign didn't end with our close defeat in the House in late March. We went back on the air in Washington, DC immediately after the House vote to both ensure our success with the Senate vote on Contra funding, and to continue our effort to persuade the House to approve the same in mid-April. When Congress recessed for the Easter break, we went back on the air in several of the key markets as well, putting those particular Congressmen on notice that the Contra debate was far from over.

We will conclude this phase of our freedom fighters television campaign with a final week blitz in Washington, during which we'll air two or three of the most effective spots of the campaign.

We are very optimistic about our chances of winning the next House vote scheduled for April 15th, and how this reflects on the importance of N.E.P.L.'s efforts over the past year.

More importantly, we would like to commend and congratulate the people who have unselfishly donated their time and their financial resources to the program. I can't begin to tell you how dramatic an impact these private citizens have had on strengthening America's resolve to support freedom and democracy wherever it exists in the world.

No one forced your contributors to become involved. They did so simply because they believe that the things that have made America great and respected by all -- liberty, democracy, the free pursuit of happiness -- are things worth fighting for.

We agree, and to that end are proud to have been a part of the effort to support those ideals in Nicaragua.

All the best!

Sincerely,



Adam Goodman  
 Media/Political Director

A 0077747

*Carl Russell Chanell  
2012 Belmont Road N.W.  
Washington D.C. 20009*

April 15, 1986

Mr. Richard Miller  
[REDACTED]  
Washington, DC 20036

Dear Rich:

As promised, the final House votes to decide the fate of freedom in Nicaragua are today (April 15) being taken.

With the House acting on the President's request for the last time, the usefulness of our Central American Freedom Program comes to an end. The program has been tremendously successful. It has made a significant national and international impact for good. Most important, it has remained true and steadfast to Ronald Reagan's goals to extend freedom wherever possible.

You, as Program Director, have executed your multiple leadership responsibilities with the highest degree of professional excellence. You are a gifted and unique leader. The team of IBC staff and subcontractors you assembled to carry out specific aspects of the Central American Freedom Program is also worthy of great admiration and appreciation from everyone supportive of the President's goal.

Last week I began to notify our subcontractors and consultants that all Sentinel financial arrangements with them would be terminated on April 15. Please call the following businesses/individuals and notify them that the program has ended and restate that all financial arrangements between Sentinel and them are terminated as of tonight. Your follow-up call will ensure that we have contacted everyone.

Please convey my sincere thanks to everyone. Tell them that I will personally contact them about future projects. Everyone involved in the Central American Freedom Program will shortly receive a heartfelt personal thank you from me.

A 0079240

Please call:

Marty Artiano  
 Steve Cook  
 David Fischer  
 Edie Fraser  
 Bob and Adam Goodman  
 Dan Kuykendall  
 Jack Lichenstein  
 Penn Kemble  
 UNO office.

I cannot express to you my appreciation for the incredible contribution you have made in support of freedom. Thank you for being instrumental in making this program a success.

Very sincerely,

Spitz Channell  
 President  
 Sentinel

## CENTRAL AMERICAN FREEDOM PROGRAM BRIEFING

1. Mr. Ricardo Capote
2. Mr. Carl Russell Channell
3. Miss. Jacqueline M. Clemons
4. Mr. Daniel Lynn Conrad
5. Miss Angela Joy Davis
6. Mr. Robert Driscoll
7. Mr. Searcy Ferguson
8. Mr. Francis D. Gomez
9. Miss Fawn Hall
10. Mr. Hugh Ellis Ledbetter, II
11. Mr. Kris S. Littledale
12. Miss Jane E. McLaughlin
13. Mr. Richard R. Miller
14. Colonel Oliver North
15. Mr. F. Clifton Smith
16. Mr. Earl E. T. Smith
17. Mr. Edwin L. Weisl, Jr.
18. Mr. Roger Wilkins

# NATIONAL ENDOWMENT FOR THE PRESERVATION OF LIBERTY

## STATEMENT OF NET ASSETS APRIL 30, 1986 (CONSOLIDATED)

305 FOURTH ST NE  
SUITE 1000  
WASHINGTON DC 20002

### ASSETS

CASH AND MARKETABLE SECURITIES	
PALMER NAT'L (REGULAR)	\$ 4,971.52
PALMER NAT'L (SPECIAL #1)	68,280.11
PALMER NAT'L (SPECIAL #2)	271,299.78
PALMER NAT'L (FUTURE OF FREEDOM)	32,610.41
HUTTON (REGULAR)	17,198.44
HUTTON (SPECIAL #1)	10,864.00
HUTTON (SPECIAL #2)	1,708,570.15
IRVING TRUST	5,000.00
PALMER CERTIFICATE	10,573.25
GERBER PRODUCTS STOCK	326,801.25
<b>TOTAL CASH AND MARKETABLE SECURITIES</b>	<b>2,455,968.91</b>
ACCOUNTS AND NOTES RECEIVABLE	
AFFILIATES	16,012.50
EMPLOYEE ADVANCE	400.00
NOTE RECEIVABLE (CRC)	65,678.90
<b>TOTAL RECEIVABLES</b>	<b>82,091.40</b>
FIXED ASSETS	
FURNITURE AND EQUIPMENT	58,332.87
LEASEHOLD IMPROVEMENTS	1,261.00
<b>TOTAL FIXED ASSETS</b>	<b>59,593.87</b>
PREPAID SERVICE CONTRACTS	3,019.92
<b>TOTAL ASSETS</b>	<b>2,600,674.10</b>
PAYROLL TAXES PAYABLE	(34,996.45)
<b>NET ASSETS AVAILABLE</b>	<b>\$ 2,565,677.65</b>

## STATEMENT OF CHANGES IN NET ASSETS FOR THE MONTH ENDING APRIL 30, 1986

CONTRIBUTIONS	\$ 1,990,990.00
OTHER INCOME	31,043.15
<b>TOTAL ADDITIONS</b>	<b>2,022,033.15</b>
PROJECT EXPENDITURES	545,054.75
DIRECT FUNDRAISING EXPENSES	14,617.91
ADMINISTRATIVE COSTS	123,233.66
<b>TOTAL DEDUCTIONS</b>	<b>682,906.32</b>
<b>NET INCREASE (DECREASE) IN NET ASSETS</b>	<b>1,339,126.83</b>
<b>NET ASSETS AVAILABLE AT BEGINNING OF PERIOD</b>	<b>1,226,550.82</b>
<b>NET ASSETS AVAILABLE AT END OF PERIOD</b>	<b>\$ 2,565,677.65</b>

A 0029125

NATIONAL ENDOWMENT FOR  
THE PRESERVATION OF LIBERTY  
(CONSOLIDATED)

STATEMENT OF OPERATIONS  
1986

	JANUARY	FEBRUARY	MARCH	APRIL	Y-T-D TOTALS
CONTRIBUTIONS	467,715.00	432,835.40	2,117,108.00	1,990,990.00	5,008,648.48
INTEREST INCOME	63.93	799.45	1,326.20	756.39	2,945.97
DIVIDEND INCOME	3,677.06	(42.06)	49,644.98	1,305.39	54,585.37
UNREALIZED GAIN/(LOSS)	(7,435.03)	(53,400.00)	20,145.00	36,984.37	(3,705.66)
				(8,003.00)	(8,003.00)
<b>TOTAL ADDITIONS</b>	<b>464,020.96</b>	<b>380,192.79</b>	<b>2,188,224.26</b>	<b>2,022,033.15</b>	<b>5,054,471.16</b>
<b>DISBURSEMENTS</b>					
PROJECTS					
IJC	505,000.00	222,606.84	988,000.00	299,977.00	2,015,583.84
GOODMAN		134,307.57	491,053.18	92,510.86	717,871.61
PRUDENCA			12,740.00	11,450.07	24,190.07
EDELMAN			42,000.00	31,116.82	73,116.82
OTHER	13,300.00	15,100.00	42,500.00	100,000.00	80,900.00
				100,000.00	100,000.00
<b>TOTAL PROJECTS</b>	<b>518,300.00</b>	<b>372,014.41</b>	<b>1,576,293.18</b>	<b>543,054.75</b>	<b>3,011,662.34</b>
FUNDRAISING					
DIRECT	2,428.91	5,151.61	29,785.09	264.23	37,639.84
TRAVEL	8,843.06	15,204.61	4,133.00	14,353.68	42,534.35
LOCAL TRANSPORT (CABS)			135.00	0.00	135.00
LOCAL TRANSPORT (LIMO)			3,230.38	0.00	3,230.38
<b>TOTAL FUNDRAISING</b>	<b>11,271.97</b>	<b>20,356.22</b>	<b>37,293.47</b>	<b>14,617.91</b>	<b>83,539.57</b>
ADMINISTRATIVE					
ACCOUNTING FEES	7,000.00	4,200.00	4,200.00	4,500.00	19,900.00
BANK CHARGES	82.18	69.00	168.00	72.64	391.82
BROKERAGE FEES			3,956.15	0.00	3,956.15
COURIER SERVICE	322.38	2,117.15	2,136.34	2,356.17	7,132.04
EQUIPMENT RENTAL	587.33	2,247.38	3,712.07	1,436.74	7,983.52
FICA EMPLOYER	3,510.64	3,496.28	1,351.28	1,188.75	9,546.95
GROSS SALARIES	49,100.00	99,899.00	28,899.00	61,135.75	199,033.75
INSURANCE	47.00	726.50	803.60	570.02	2,147.12
LEGAL FEES	2,337.03	5,569.02	1,167.25	828.00	9,901.30
MAINTENANCE	380.00	570.00	760.00	950.00	2,660.00
MISCELLANEOUS	3,982.90	235.50	769.01	(1,311.15)	3,676.26
OFFICE SUPPLIES	281.78	649.22	1,341.50	974.22	3,246.72
OTHER PAYROLL TAXES			766.42	1,246.14	2,012.56
OUTSIDE CONSULTANTS	12,000.00	13,279.00	7,735.00	38,015.00	71,029.00
PHOTOCOPYING		393.16	956.67	0.00	1,349.83
POSTAGE	158.40		443.99	163.27	765.66
PRINTING	71.97	5,360.41	59.93	170.50	5,662.81
PUBLIC RELATIONS	10,682.43	3,852.35		4,148.93	18,683.71
PUBLICATIONS	811.10	1,828.35	327.45	1,165.25	3,532.35
RENT	7,725.00	1,425.00	1,425.00	0.00	10,575.00
TELEPHONE	2,257.45	1,355.89	2,663.35	2,331.33	8,606.22
TEMPORARY HELP				381.50	381.50
TRANSPORTATION LIMO		1,869.02		1,600.65	3,469.67
TRANSPORTATION LOCAL		75.00		755.34	830.34
TRANSPORTATION CAR LEASE			621.34	0.00	621.34
UTILITIES		383.84	177.76	108.80	670.40
				245.21	245.21
				0.00	0.00
<b>TOTAL ADMINISTRATIVE</b>	<b>100,737.59</b>	<b>109,801.07</b>	<b>64,441.51</b>	<b>123,233.66</b>	<b>398,213.83</b>
<b>TOTAL DISBURSEMENTS</b>	<b>630,309.56</b>	<b>502,171.70</b>	<b>1,678,028.16</b>	<b>682,906.32</b>	<b>3,493,415.74</b>
<b>NET CHANGE TO FUND BALANCE</b>	<b>(166,288.60)</b>	<b>(121,978.91)</b>	<b>510,196.10</b>	<b>1,339,126.83</b>	<b>1,561,055.42</b>

A 0029126



. SORT: BANK ACCOUNT

## APRIL CONTRIBUTIONS

SORTED BY: BANK ACCOUNT

DATE	CONTRIBUTOR	INDICATOR	PROJECT	ACCOUNT	AMOUNT		
	BEERE & CO. 1000 SHRS	SPITZ		MTN B2	34,250.00	DRKT	04/30 34
	BYL BUTCH PETE 5000 SHRS	SPITZ		MTN B2	378,125.00	DRKT	04/30 75
	BUN CO 2450 SHRS	SPITZ		MTN B2	114,192.00	DRKT	04/30 45
	PENZOIL 2450 SHRS	SPITZ		MTN B2	119,437.00	DRKT	04/30 48
	EXXON CORP 8850 SHRS	SPITZ		MTN B2	301,131.00	DRKT	04/30 56
					1,147,135.00		
APRIL 28	DARL INSTON	CLIFF	ATAC-SEF	WADISON-SEF	5,000.00		
APRIL 28	WEISL	KRIS	ATAC-SEF	WADISON-SEF	1,000.00		
					6,000.00		
APRIL 1	O'BOYLE	JANE	TOYS	PATTON	130,000.00		
APRIL 4	LIDDELL	JANE	CRFP	PATTON	1,000.00		
APRIL 7	FERGUSON	JANE	CRFP	PATTON	5,000.00		
APRIL 7	KING	CLIFF	CRFP	PATTON	150,000.00		
APRIL 9	CHRISTIAN	CLIFF	TOYS	PATTON	1,000.00		
APRIL 9	GIDDONS	KRIS	TOYS	PATTON	32,500.00		
APRIL 16	BARWOOD	SPITZ	TOYS	PATTON	470,000.00		
APRIL 21	CABALLERO	JANE	CRFP	PATTON	300.00		
APRIL 21	HARRIS	DIR/MAIL	CRFP	PATTON	100.00		
APRIL 22	CLABETT	KRIS	CRFP	PATTON	5,000.00		
APRIL 23	WATSCOLL	CLIFF	CRFP	PATTON	15,000.00		
APRIL 24	LEDBETTER	CLIFF	CRFP	PATTON	5,000.00		
					814,900.00		
APRIL 2	ELI S. JACOBS	JANE	CRFP	BROCHER	1,000.00		
APRIL 2	US INT'L CONTAINER	JANE	CRFP	BROCHER	250.00		
APRIL 14	WARTINEZ	JANE	CRFP	BROCHER	450.00		
APRIL 14	MUM	CLIFF	CRFP	BROCHER	2,000.00		
APRIL 14	CHARTS	JANE	CRFP	BROCHER	250.00		
APRIL 17	SALMASER	KRIS	CRFP	BROCHER	20,000.00		
APRIL 17	FERGUSON	JANE	CRFP	BROCHER	5,000.00		
APRIL 28	KOECHT	DIR/MAIL	CRFP	BROCHER	5.00		
					28,955.00		
APRIL 14	SPITZ	SPITZ	FED-ACT	ACT-FED	250.00		
APRIL 14	OK. 02158	CLIFF	FED-ACT	ACT-FED	100.00		
APRIL 14	CLIFF	CLIFF	FED-ACT	ACT-FED	5,000.00		
APRIL 21	GRIFFITH	CLIFF	FED-ACT	ACT-FED	100.00		
					5,350.00		
APRIL 7	KOECHT	DIRECT MAIL	CRFP	BENTINEL	5.00		
APRIL TOTAL					2,002,545.00		

A 0029127

CONT BY: SOLICITOR  
 APRIL CONTRIBUTIONS

CONT BY:

SOLICITOR

DATE	CONTRIBUTOR	SOLICITOR	PROJECT	ACCOUNT	AMOUNT
APRIL 28	BARLINGTON	CLIFF	ATAC-BET	WADSWORTH-BET	5,000.00
APRIL 7	KING	CLIFF	CRFP	PATTON	150,000.00
APRIL 14	MUM	CLIFF	CRFP	BRODER	2,000.00
APRIL 21	GRIFFITH	CLIFF	CRFP	ACT-FED	100.00
APRIL 23	BRISCOLL	CLIFF	CRFP	PATTON	15,000.00
APRIL 24	LEDWETTER	CLIFF	CRFP	PATTON	5,000.00
APRIL 9	CHRISTIAN	CLIFF	TOYS	PATTON	1,000.00
APRIL 14	CHAMBERS	CLIFF	ACT-FED	ACT-FED	100.00
APRIL 14	CLIFF SMITH	CLIFF	ACT-FED	ACT-FED	5,000.00
					183,200.00
APRIL 28	KNECHT	DIRECT MAIL	CRFP	BRODER	5.00
APRIL 7	KNECHT	DIRECT MAIL	CRFP	BENTON	5.00
APRIL 21	HARRIS	DIRECT MAIL	CRFP	PATTON	100.00
					110.00
APRIL 2	US INT'L CONTAINER	JANE	CRFP	BRODER	250.00
APRIL 2	ELI S. JACOBS	JANE	CRFP	BRODER	1,000.00
APRIL 4	LIDDELL	JANE	CRFP	PATTON	1,000.00
APRIL 7	FERGUSON	JANE	CRFP	PATTON	5,000.00
APRIL 14	MARTINEZ	JANE	CRFP	BRODER	450.00
APRIL 14	CHARTS	JANE	CRFP	BRODER	250.00
APRIL 17	FERGUSON	JANE	CRFP	BRODER	5,000.00
APRIL 21	CABALLERO	JANE	CRFP	PATTON	300.00
APRIL 1	O'BOYLE	JANE	TOYS	PATTON	130,000.00
					143,250.00
APRIL 28	WEISL	KRIS	ATAC	WADSWORTH	1,000.00
APRIL 17	BALWASSER	KRIS	CRFP	BRODER	20,000.00
APRIL 22	CLASSETT	KRIS	CRFP	PATTON	5,000.00
APRIL 9	GIDDENS	KRIS	TOYS	PATTON	22,500.00
					58,500.00
APRIL 14	CARL R. CHANNELL	SPITZ	ACT-FED	ACT-FED	250.00
APRIL 16	BARWOOD	SPITZ	TOYS	PATTON	470,000.00
	DEERE & CO. 1000 SHRS	SPITZ		MTN 82	34,250.00
	ETON CORP 1850 SHRS	SPITZ		MTN 82	501,131.00
	PENTON 2450 SHRS	SPITZ		MTN 82	119,437.00
	RYL BUTCH PETE 5000 SHRS	SPITZ		MTN 82	378,125.00
	SUN CO 2456 SHRS	SPITZ		MTN 82	114,192.00
					1,617,485.00
APRIL TOTAL					2,002,545.00

A 0029128

SORT BY: PROJECT APRIL CONTRIBUTIONS				PROJECT	
DATE	CONTRIBUTOR	SOLICITOR	PROJECT	ACCOUNT	AMOUNT
APRIL 28	DARLINGTON	CLIFF	ATAC-SEF	WADISON-SEF	5,000.00
APRIL 28	WEISL	KRIS	ATAC-SEF	WADISON-SEF	1,000.00
					6,000.00
APRIL 2	US INT'L CONTAINER	JANE	CRFP	BROKER	250.00
APRIL 2	ELI S. JACOBS	JANE	CRFP	BROKER	1,000.00
APRIL 4	LIDDELL	JANE	CRFP	PATTON	1,000.00
APRIL 7	KIMS	CLIFF	CRFP	PATTON	150,000.00
APRIL 7	FERGUSON	JANE	CRFP	PATTON	5,000.00
APRIL 7	KNECHT	DIRECT MAIL	CRFP	BENTINEL	5.00
APRIL 14	CHARTS	JANE	CRFP	BROKER	250.00
APRIL 14	MUNN	CLIFF	CRFP	BROKER	2,000.00
APRIL 14	MARTINEZ	JANE	CRFP	BROKER	450.00
APRIL 17	BALWASSER	KRIS	CRFP	BROKER	20,000.00
APRIL 17	FERGUSON	JANE	CRFP	BROKER	5,000.00
APRIL 21	MARRIS	DIRECT MAIL	CRFP	PATTON	100.00
APRIL 21	CABALLERO	JANE	CRFP	PATTON	300.00
APRIL 22	CLASSETT	KRIS	CRFP	PATTON	5,000.00
APRIL 23	BRISCOLL	CLIFF	CRFP	PATTON	15,000.00
APRIL 24	LEDNITTER	CLIFF	CRFP	PATTON	5,000.00
APRIL 28	KNECHT	DIR/MAIL	CRFP	BROKER	5.00
					210,360.00
APRIL 1	O'BOYLE	JANE	TOYS	PATTON	130,000.00
APRIL 9	GIDDENS	KRIS	TOYS	PATTON	32,500.00
APRIL 9	CHRISTIAN	CLIFF	TOYS	PATTON	1,000.00
APRIL 16	BRAMWOOD	BP172	TOYS	PATTON	470,000.00
					633,500.00
	RYL BUTCH PETE 5000 SHRS	BP172		HTTN 02	378,125.00 OMT 04/30 75
	BLN CO 2456 SHRS	BP172		HTTN 02	114,192.00 OMT 04/30 45
	PENZOIL 2450 SHRS	BP172		HTTN 02	113,437.00 OMT 04/30 48
	ETION CORP 8850 SHRS	BP172		HTTN 02	501,131.00 OMT 04/30 56
	BEERE & CO. 1000 SHRS	BP172		HTTN 02	34,250.00 OMT 04/30 34
					1,147,125.00
APRIL 14	F. CLIFTON SMITH	CLIFF	ACT-FED	ACT-FED	5,000.00
APRIL 14	CHL 02158	CLIFF	ACT-FED	ACT-FED	100.00
APRIL 14	CARL R. CHANNELL	BP172	ACT-FED	ACT-FED	350.00
APRIL 21	BRAFFITH	CLIFF	ACT-FED	ACT-FED	100.00
					5,550.00
APRIL TOTAL					2,002,545.00

BY: DATE/ORIGNL ENTRY  
 APRIL TOTAL CONTRIBUTIONS: ALL ORGANIZATIONS

DATE	CONTRIBUTOR	SOLICITOR	PROJECT	BANK ACCOUNT	AMOUNT
APRIL 1	O'DOYLE	JANE	TOYS	PATTON	130,000.00
APRIL 2	US INT'L CONTAINER	JANE	CRP	BACHER	250.00
APRIL 2	ELI S. JACOBS	JANE	CRP	BACHER	1,000.00
APRIL 4	LINDALL/CDAL FOMTH TEXTS	JANE	CRP	BACHER	1,000.00
APRIL 7	KING	CLIFF	CRP	PATTON	150,000.00
APRIL 7	FENLUSON	JANE	CRP	PATTON	5,000.00
APRIL 7	KNECHT	DIRECT MAIL	CRP	SENTINEL	5.00
APRIL 9	SIDDEMS	KRIS	TOYS	PATTON	32,500.00
APRIL 9	CHRISTIAN	CLIFF	TOYS	PATTON	1,000.00
APRIL 14	CHARTS	JANE	CRP	BACHER	250.00
APRIL 14	MARTINEZ	JANE	CRP	BACHER	450.00
APRIL 14	MUNA	CLIFF	CRP	BACHER	2,000.00
APRIL 14	OK. 02150	CLIFF	FED-ACT	ACT-FED	100.00
APRIL 14	CLIFF	CLIFF	FED-ACT	ACT-FED	5,000.00
APRIL 14	BP172	BP172	FED-ACT	ACT-FED	250.00
APRIL 16	BRANDOD	BP172	TOYS	PATTON	470,000.00
APRIL 17	FENLUSON	JANE	CRP	BACHER	5,000.00
APRIL 17	BALWESSE	KRIS	CRP	BACHER	20,000.00
APRIL 21	HARRIS	DIRECT MAIL	CRP	PATTON	100.00
APRIL 21	CABALLENO	JANE	CRP	PATTON	300.00
APRIL 21	BRUFFITH	CLIFF	CRP	ACT-FED	100.00
APRIL 22	CLAGETT	KRIS	CRP	PATTON	5,000.00
APRIL 23	DAISCOLL	CLIFF	CRP	PATTON	15,000.00
APRIL 24	LEDBETTER	CLIFF	CRP	PATTON	5,000.00
APRIL 28	DARLINGTON	KRIS	ATAC	BRADISON	5,000.00
APRIL 28	WEISL	KRIS	ATAC	BRADISON	1,000.00
APRIL 28	KNECHT	DIA/MAIL	CRP	BACHER	5.00
	DEERE & CO. 1000 SHRS	BP172		MTN 02	34,250.00
	EXXON CORP 0850 SHRS	BP172		MTN 02	501,131.00
	PENZOIL 2450 SHRS	BP172		MTN 02	119,437.00
	RYL BUTCH PETE 3000 SHRS	BP172		MTN 02	378,125.00
	SUN CO 2496 SHRS	BP172		MTN 02	114,192.00
					ORGT 04/30 34
					ORGT 04/30 56
					ORGT 04/30 48
					ORGT 04/30 75
					ORGT 04/30 45
APRIL TOTAL					2,002,545.00

A 0029170

## KUYKENDALL COMPANY

May 5, 1986

Mr. Dan Conrad, Executive Director  
National Endowment for the Preservation of Liberty  
305 4th Street, NE  
Washington, D. C. 20002

Dear Mr. Conrad:

As per our agreement please consider this letter as an invoice for consulting, research, and resource information from the Gulf and Caribbean Foundation. Please forward your contribution of \$5,000 to my attention at the following address:

Gulf & Caribbean Foundation  
P. O. Box 40841  
Washington, D. C. 20016

This sum covers our advisory and consulting contribution to the CONTRA Aid effort for the remainder of 1986.

Very truly yours,



Dan Kuykendall

DK:lp

A 0015541

C H 041499

## Fund Raisers Meeting-May 23, 1986

Ronald Reagan received over sixty percent of the vote. But we are to do is use that as one of the keys. Don't forget this is not a election campaign. This is an influence campaign. You are seeking to influence people to support the President's full funding needs and a key element of this influence is education. As to the threat the Communist pose if is not funded correctly. We may have an opportunity to move a lot of this into an election position. For instance we are in the process right now of finding out what are the contested races in those districts where the President got over sixty percent of the vote. What the position of the incumbent is as well as the challenger. If the incumbent is weak on SDI and the challenger is strong on SDI and the voting population strong on SDI our saturation educational ads cannot but help Republican challenge. So when these people give us \$30,000.00 and our ads cost \$35,000.00 day around the country they are in many districts literally giving a political contribution to support President Reagan's congressional candidates. They are giving us \$30,000.00 to support a challenger candidate in these districts. That is an incredible incentive for these people to give. Because we are picking the issue that is popular with the population, an issue that is popular with the President in an area where the congressman may not be supporting the President as much as the people want, being that it is an election year by hyping this issue and bringing it up and highlighting the fact by implication that the challenger supports this issue. We are really going to be giving a \$30,000.00 plus contribution to these challenger candidates. Now, you might say that to someone who is a political freak and they'll go hm, never thought you could do that and the answer to that is look Mr. Jones this woman is trying to sell cookies in Reno she doesn't to many people she can't get her message out. If you put a message on television talking about how good chocolate chip cookies are general and saturate it, these people are going to start connecting her, the person who makes them with the desire to have them and you are definitely going to help her business. This is an incredibly subtle political benefit to every single Republican challenger and I don't know how you say this without getting burned on the telephone, but you can just say I want to tell you what another way to look at this whole campaign. We are taking an issue that the American people support. We are advancing this issue in congressional districts where the American people strongly support the President and encouraging that incumbent to support the President. If that incumbent doesn't support the President, what is actually going to happen is the challenger candidate is going to benefit immeasurably from our activities because the challenger position and the population position are become well known to each other through the medium of our television message. On the other hand the fact that we

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are hyping this issue and the incumbent doesn't support the President will definitely highlight the difference between the incumbent and his constituents. This is an incredible political benefit to every single Republican running for office. It is essentially a \$30,000.00 contribution to these challengers' campaign with the finest issue that Ronald Reagan has in the country today. So there are many people who love politics and this is a very good way to appeal to them. It is also tax deductible and they don't have to stop. There are four districts in the state of Texas where there are four media markets where we want this. These people can give \$120,000.00 if they want to hype this issue in those districts. We have a fabulous election opportunity in Louisiana. I don't know what the position of the two people is, your book should tell you. But we have an incredible opportunity because the people of Louisiana are extremely supportive of the President. We might want to spend a million dollars on education in Louisiana. Then get the challenger to come after the primary is over in September whenever it is and say that one of the reasons why he won is because of the vast strong support of President Reagan's SDI and that will make the Democratic Party go wild. It will strengthen the President's SDI tremendously, so there are innumerable benefits from this program and people can understand that they are getting politically on the strongest issue the President has in areas where the people support him to expose incumbents' positions against their constituents. You have got a very strong political ad right here and you have not mentioned meeting with the President of the U.S. once. You are virtually insuring that SDI is going to become a major issue in the campaign. Which is the strongest of the President's suits, strongest of the Republican Party's suit, it is security, it is family, it is national defense.

(You just can't call them up and say you are going to give this money and this going to be a political contribution. You don't start that way. You know there are two sides to every person, you can look in the front or the back, the same person. But the impact of saying to someone like Harry Lucas, Barbara Newington or Ellen Garwood or Mel Salvasser, or Salvatori or innumerable political crazies is that we are going to give you an opportunity to give \$30,000.00 tax deductible political contribution and we want to tell you how to do it. I mean they may say oh I am not going to do that, but they will listen. They will be very curious and then when you talk about the fact that this is where the President's residual strength is, this is where the battles are, this is where we have the greatest opportunity to win and this amounts to a \$30,000.00 political contribution. You don't have to stop there. We can carry our messages right on through the election and you can deduct every penny you pay for it.)

C H 041501

FUNDRAISERS MEETING - MAY 23, 1986

Ronald Reagan received over sixty percent of the vote. We must use this as one of the keys. Don't forget this is not an election campaign. This is an influence campaign.

You are seeking to influence people to support for the President's full funding needs and a key element of this influence is education as to the threat the Communists pose if it is not funded correctly.

We may have an opportunity to move a lot of this into an election position. For instance, we are in the process right now of finding out what are the contested races in those districts where the President got over sixty percent of the vote, what the position of the incumbent is, as well as the challenger.

If the incumbent is weak on SDI and the challenger is strong on SDI and the voting population strong on SDI our saturation educational ads cannot but help the Republican challenger.

So when these people give us \$30,000.00 and our ads cost \$35,000.00 a day around the country they are in many districts literally giving a political contribution to support President Reagan's congressional candidates.

They are giving us \$30,000.00 to support a challenger candidate in these districts. This is an incredible incentive for people to give.

We are picking an issue that is popular with the population. An issue that is popular with the President in an area where the congressman may not be supporting the President as much as the people want.

And being that it is an election year, we can hype this issue and it will become known (implied) who is supporting this issue - the incumbent or the challenger. We are really going to be giving a \$30,000.00+ contribution to the challenger candidates.

Now, you might say this to someone who is a political freak and they'll never have thought you could do that. The answer to that is, "Look Mr. Jones, there is a woman trying to sell cookies in Reno but she isn't getting her message out to many people. If you put a message on television talking about how good chocolate chip cookies are in general and saturate it, people are going to start connecting her, the person who makes them, with the desire to have them and you are definitely going to help her business."

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C H 041502

So there are innumerable benefits from this program and people can understand that they are getting politically on the strongest issue the President has in areas where the people support him to expose incumbents positions against their constituents.

You have got a very strong political ad right here and you have not mentioned meeting with the President of the U.S. once. You are virtually insuring that SDI is going to become a major issue in the campaign, which is the strongest of the President's suits, strongest of the Republican Party's suit, it is security, it is family, it is national defense.

You just can't call them up and say they are going to give this money and it is going to be a political contribution. You don't start that way. You know there are two sides to every person, you can look in the front or the back, the same person.

Using this approach on someone like Harry Lucas, Barbara Newington, Ellen Garwood, Mel Salvasser, Salvatori or innumerable political crazies will have an incredible impact.

We are going to give them an opportunity to give a \$30,000.00 tax deductible political contribution and we want to tell them how to do it. I mean they may say, "Oh, I am not going to do that", but they will listen. They will be very curious.

Then you talk about the fact that this is where the President's residual strength is, this is where the battles are, this is where we have the greatest opportunity to win and this amounts to a \$30,000.00 political contribution.

And they don't have to stop there. We can carry our messages right on through the election and they can deduct every penny along the way.

Now there is something else you want to look at when you call people, especially in the new South. Check your map to see if we have congressional districts in their state, Texas as an example.

But you can see we don't call them congressional districts, we call them media markets, where interestingly enough your congressman will hear all this media. This is the political component to this issue, which if you say it correctly is absolutely dynamite.

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C H 041503

I'll tell you something, you're not going to get much success with this regrettably before the meeting with the President.

But if you call about the first of October and start talking about these ads staying on to support these candidates, amounts to a \$30,000.00 political expenditure. We may make ten million dollars in October. We may be doing this whole issue at the wrong time.

RESPONSE TO "I GET CALLED SO OFTEN FOR CONTRIBUTIONS"

There are 230 million people in this country. 103 million of these people are potential voters. (Eighteen years and older). Roughly 3,000 of those 103 million people give \$5,000 or more to bring about political change in one way or another. That's about three thousandth of a percent.

That makes you a rare commodity, Mr. Jones. You are in demand because you're one of few needles in a sky high haystack.

You are part of that three thousandth percent who care enough about the future of American democracy and the policies of our government to be generous and contribute to the direction of our nation. This is why you're called so frequently.

People look for other people to help solve a problem. People search you out seeking your support to help solve problems. The American political system is no different. It is very natural that your support would be sought to help solve political problems.

You are a very blessed individual that you do have the sense enough to participate and that you have been blessed with the finances to be able to participate.

# Lichtenstein & Company

Communications Strategies Programs and Materials

23 May 1986

MEMORANDUM FOR SPITZ CHANNELL  
FROM: JACK LICHTENSTEIN  
SUBJECT: CONGRESSIONAL SURVEYS ON CONTRA AID VOTE

Of 75 members I had targeted in our grassroots constituent correspondence campaign in support of the President's aid request, I followed up with 51 offices, a 67 percent survey. Twenty-one were contacted by telephone, 30 in personal visits.

Thirty-five of the offices contacted cooperated. Some flatly refused to discuss their constituent communications or this issue.

Salient points from the 35 who cooperated:

1. Many said they frequently hear from the anti-aid side, and the days before the 20 March vote represented the first major outpouring of support for aid.

2. In the constituent correspondence battle:

- a. we were beaten in 13 districts (four of whose members supported the aid, anyway, and one of whose did not vote);
- b. we won in 9 districts (seven of whose members supported the aid); and
- c. we drew even in 13 districts (seven of whose members supported the aid).

3. At the time of the vote, the pro-aid side was gaining tremendous momentum. Many offices said that pro-aid communications increased dramatically following the President's televised address. Most of these communications were phone calls, since the address was just a few days before the vote. This sudden surge of support may partly explain why more members in our survey voted against wishes of anti-aid constituents than voted against the wishes of pro-aid constituents. The tide seemed to be turning strongly. Had the address been earlier, the vote might have been different.

4. In the opinion of many offices, the anti-aid correspondents seemed more knowledgeable of the issues and better organized to express their opposition. The pro-aid correspondents were more visceral, probably reflecting their standing as ordinary, individual Americans. Their major argument in favor of the aid often seemed to be that "President Reagan wants it." or "The President knows what's right."

I believe that this is evidence of the President's vast store of political capital. He continues to enjoy strong support at the grassroots and an ability to move the American people to action when his appeal is delivered in a personal and timely manner.

A 0076111

ELIZABETH S. HOOPER FOUNDATION  
SUITE 1300  
THREE PARKWAY  
PHILADELPHIA, PENNSYLVANIA 19102

May 27, 1986

Miss Jane E. McLaughlin  
NATIONAL ENDOWMENT FOR THE  
PRESERVATION OF LIBERTY  
305 Fourth St., N. E.  
Suite 1000  
Washington, D.C. 20002

Dear Jane:

Enclosed is the contribution which I mentioned to you on the telephone ten days ago. I am a couple of days late sending it but I hope it will do some good.

Please have Ollie contact me to let me know what he is going to do with it, if that is possible. My office number is: 293-0216; my home number is : 688-6118.

Very truly yours,

Bruce H. Hooper  
Secretary

BHH/emm

Enclosure

A 0027706

## KUYKENDALL COMPANY

June 10, 1986


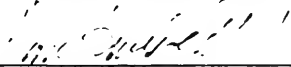
MEMORANDUM: SPITZ CHANNELL FOR THE NATIONAL ENDOWMENT FOR  
THE PRESERVATION OF LIBERTY  
FROM: DAN KUYKENDALL  
RE: CONFIRMATION OF CONSULTING ARRANGEMENT BETWEEN  
SPITZ CHANNELL AND DAN KUYKENDALL

Dan Kuykendall hereby agrees that he will be available to Spitz Channell or his specific designee for consulting in the area of politics, public affairs, and government operations for twelve (12) months beginning on June 1, 1986.

It is agreed that Kuykendall will be available for personal or phone consulting whenever that service is needed on a reasonable basis.

The Kuykendall Company will bill the "National Endowment for the Preservation of Liberty" for \$3,500 at the end of each month, plus the cost of any travel or entertainment done by Kuykendall with prior approval of Channell.

Signed this 10th day of June, 1986.

  
\_\_\_\_\_  
Carl Russell Channell  
National Endowment for the  
Perservation of Liberty  
\_\_\_\_\_  
Dan Kuykendall  
Kuykendall Company

lp

F. M. JONES

## KUYKENDALL COMPANY

Dan Kuykendall  
President

*Noted  
6/10/86*

June 10, 1986

MEMORANDUM TO: SPITZ CHANNELL  
FROM: DAN KUYKENDALL  
RE: YOUR REQUEST CONCERNING MONTHLY COSTS  
OF OPERATING GULF & CARIBBEAN FOUNDATION'S  
PRESENCE IN WASHINGTON

MONTHLY BUDGET FOR GULF & CARIBBEAN FOUNDATION

Consulting Services, Dan Kuykendall	\$1,300
Administrative Services, Kuykendall Company	750
Telephone, Postage, Supplies, Rent, etc.	<u>450</u>
	\$2,500
Consulting Services, IBC	<u>1,500</u>
TOTAL FIXED BUDGET	\$4,000
Travel (Monthly average, to be billed.)	<u>450</u>
TOTAL INCLUDING VARIABLE	\$4,450

lp

*See G.H. memo 7/20/86  
list*

July 2, 1986

TO: Spitz Channell

FROM: Bruce Cameron, Center for Democracy in the Americas

RE: Why the President Won on Contra Aid

- I. In part, it was the President who won contra aid in the House last week: His phone calls and other contacts with Members made a difference. "When a President gets to the point that he can pinpoint 20 people and work face to face with them, he's hard to stop," Tip O'Neill was quoted as saying. "One fellow said he had never spoken to a president and he was awed. How do you turn down a president?" (Of the 11 Members who rejected contra aid in March and made the difference this time by voting "yes," I note three Members -- Carroll Hubbard (D-KY), Chalmers Wylie (R-OH), and Larry Hopkins (R-KS) -- who switched because of a Presidential plea.)

Unacknowledged by the Speaker was the President's address June 25, the day before the vote. The speech, suggested by former Mondale adviser Bernard Aronson, cannot account for one vote in favor, but it did establish the high moral ground and the intellectual basis for bipartisanship. The next day the New York Times changed its tone, if not its position, on contra aid 180 degrees. Majority Whip Tom Foley was forced to pay his respect to the President on the House floor, and House debate proved surprisingly civilized. All of this favored the consideration of some form of aid, forcing members to focus on the merits of the aid amendments.

Still, Wednesday's 221-209 victory cannot be attributed wholly to last-minute White House lobbying. The groundwork for this vote was being laid over a period of months. In this regard, three events stand out:

1. **The appointment of Ambassador Habib:** Habib had great credibility among House moderates, including Rowland, Snowe, Wylie, Frenzel, and Bustamante. By mid-June he had been working Central America over two months; he made the term "good-faith diplomatic effort," and its exhaustion, more meaningful. In a memo last May (1985), Bruce called for the appointment of a special envoy to Central America who was credible to Democrats.
2. **In May, three weeks of meetings between Arturo Cruz, Alfonso Robelo, and Adolfo Calero, the three principals of UNO, and the FDN political directorate.** These meetings set in motion a series of measures (yet to be tested) that could give more clout to non-FDN forces (Cruz and Robelo, with whom most Members identify), establish democratic procedures within UNO, and build a credible international image -- something the FDN could never do. As you know, Bruce was in Miami 10 days out of the three weeks; twice helped intervene with Robelo and Cruz to keep the talks on track. I have since learned that the announced changes by UNO impressed Congressmen Ray, Aspin, and Bustamante, three Democrats who switched in favor of contra

A 0076054

aid. The meetings and the changes neutralized opposition to the "contras" by making UNO reform a matter of open debate. And the modest reforms that were produced, which the Administration said it would encourage, showed the Administration could make good on its promise. By mid-June Members who were going to vote for Barnes/Hamilton could only disingenuously question the reality of UNO reform.

3. The McCurdy congressional delegation to Central America in early June. Bruce convinced McCurdy to lead a delegation in mid-May in the hope of acquainting swing members with the leaders of Central America's new democracies and letting these members decide for themselves the viability of Contadora. All 13 Members were horrified by the Sandinistas (they met with Daniel Ortega) and recognized them as the real obstacle to peace in Central America. They also acknowledged that the Central American four -- on their own, rather than under Contadora nation auspices -- were the appropriate managers for any Central American treaty arrangement. (In fact, when Contadora broke up June 6, it chose to lay low and pass the diplomatic ball to the Central Americans; thus Contadora played almost no role in the debate on the House floor June 25).

Four members on the trip switched their vote in favor of military aid to the contras -- Snowe (R-ME), Bustamante (D-TX), Rowland (R-CT), and Ray (D-GA). Reportedly, Frenzel (R-MN) also switched because of influence from Ray and Snowe. I went to Guatemala to ensure that President Cerezo would meet with Members on their visit.

All 13 Members returned convinced that any aid package to the contras had to include increased economic support for Guatemala, Honduras, El Salvador, and Costa Rica as well. This new regional dimension proved extremely popular; the inclusion of economic aid to the region's democracies in the Skelton/Edwards amendment provided enough compromise and political cover for Rowland (R-CT), Frenzel (R-MN), and Wylie (R-OH) to vote for the substitute amendment.

- II. Against this background the Skelton/Edwards proposal, not the McCurdy bill, made more sense. Both proposals established a Bipartisan Commission that monitors negotiations, etc.; both called for more accountability of U.S. funds to the resistance, both gave large sums of economic aid to Central American democracies. The difference turned on a second vote for military aid. McCurdy's second vote on October 1, 1986 on military aid was untenable. Few members wanted to vote on contra aid again so close to the November elections. The resistance's need for anti-air defenses up front were imperative; their absence in the McCurdy bill hardly provided an incentive for the Sandinistas to consider negotiating (just the opposite). And yet the Democratic leadership would not budge on this issue. Bustamante, Rowland, and Snowe consequently parted company with McCurdy. Robin Tallon (D-TN) and Dan Mica (D-FL), thought to have been wavering, never joined the leadership.

Meanwhile, Skelton/Edwards provided both military aid up front and another vote on additional military aid, including the delivery of heavy weapons next February. Essentially, this was the compromise position Bruce and I advanced in May, though with different figures: \$55 million, including military aid, up front; \$45 million released upon a second vote. McCurdy and some Members close to him never accepted this idea, perhaps because of pressure from the House



leadership. I hoped that a modification -- a Presidential letter promising to respect a two-house vote of disapproval next February -- would lead more Democrats to endorse Skelton/Edwards. This idea also proved unacceptable.

In fairness to McCurdy, it should be noted that Skelton/Edwards attracted votes by taking whole key sections of the basic McCurdy draft -- e.g., the economic aid package, the Bipartisan Commission. Also, McCurdy succeeded in forcing the House leadership to hold another vote on contra aid first after the President's request was defeated in March and then after the April vote was aborted by the Republicans.

#### 111. Some remarks on the members who switched their votes on contra aid.

Eleven members who previously voted against the President's package in March switched in favor of the administration's proposal. They included six Democrats -- Les Aspin (WI), Mario Biaggi (NY), Albert Bustamante (TX), Carroll Hubbard (KY), Marilyn Lloyd (TN) and Richard Ray (GA) -- and five Republicans -- Bill Frenzel (MN), Larry Hopkins (KS), John Rowland (CT), Olympia Snowe (ME), and Chalmers Wylie (OH).

#### DEMOCRATS

Aspin, Lloyd, and Ray were not surprises, and were factored into our vote-count, although some claim Aspin was undecided until the very last moment.

Aspin previously intended to vote for aid in April, following his trip to Nicaragua with Bob Leiken. It could be that the delay in his vote June 25 was to save face, because the President referred to him favorably on the contra issue in his Tuesday speech. Contra reform was also very important to Aspin.

Lloyd had been to the rebel base camps in March before the last vote, came back and voted against aid, though promised on the next vote she would vote for it. No big surprise, therefore, and I knew she was much influenced by Duarte's conversations with her.

Ray was one of the cosponsors of the winning amendment, a member of the delegation to Central America in June, and an absolute tiger on contra reform. He personally went to Miami to evaluate the outcome of the contra meetings.

Hubbard came out publicly Tuesday afternoon and said the President had convinced him of the need for military aid.

Bustamante, a leading member of the McCurdy group who speaks Spanish, formed a bond with Central American leaders on his trip there in June. He also did not want to vote again on military aid in October.

Biaggi's yes vote is more of a mystery. According to his aide, there's no big news about the switch; he felt the President made a good case and he went with it. The New York Times quotes Biaggi as saying, "The contras are scoundrels and the Sandinistas are scoundrels...but when it comes to the national interest, a tie has to go with the President."

# REPUBLICANS

Snowe went on the trip to Central America in June. Presentations by Cerezo, Duarte, Arias, and Azcona moved her, and the aid package to the four democracies, plus Habib, convinced her there was a regional approach.

Wylie claims to have been impressed with economic aid package. He was assured by President and Vice-President that allegations of contra corruption were unfounded and convinced by administration that Sandinistas could not be brought to negotiating table without military aid. The Sandinistas hadn't done anything in the last ninety days.

Hopkins voted because of a presidential plea.

Frenzel's negative vote in March was not emphatic; it centered on the lack of regional policy; this time he felt the region was addressed. He was influenced by Ray, Chandler, and Snowe's unfavorable view of Ortega and their affinity for the other presidents.

Rowland doesn't regard his vote as a switch since this proposal was different, i.e., the economic aid package. Rowland himself worked with Skelton on the economic aid language. He also thought a second vote was going to have no impact on the Sandinistas and would not unite the core 4 Central American countries.

CENTER FOR DEMOCRACY IN THE AMERICAS

---

*Paton Kumble*  
Chairman

*Bruce P. Cameron*  
President

August 7, 1986

Mr. Carl Channell  
National Endowment for the  
Preservation of Liberty  
1331 Pennsylvania Avenue, NW  
Suite 350  
Washington, DC 20004

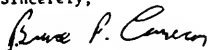
Dear Spitz:

We won!

It was a very great pleasure working with NEPL to achieve this great victory. The renewal of the "contra" program under new leadership in the Administration and with increased focus on human rights and democratic principles shows that Democrats like myself can find common ground with conservative Republicans when the stakes are American security and freedom for the people of Nicaragua.

As a Democratic lobbyist I could see that NEPL's television ads and the spokesman program were of decisive importance in bringing the truth about Nicaragua to citizens in the Congressional districts of "swing" voters. I think the American people now have a better understanding of the global nature of the Soviet threat and how it operates in Central America.

Sincerely,



Bruce P. Cameron  
President

August 25, 1986

Memo to David Fischer

RE: Draft memo for Don Regan

FROM: Spitz Channel, National Endowment for the  
Preservation of Liberty *and Freedom of Sentinel*

In January 1986, the National Endowment for the Preservation of Liberty and Sentinel initiated a \$4.1 million educational and lobbying campaign which eventually reached 25 states. The purpose of this 8 month campaign was to give support to President Reagan's Nicaraguan policies with special focus on the Freedom Fighter aid package the President submitted to the Congress for approval in January.

Many consider this effort to be the largest of its kind devoted to supporting Ronald Reagan on a foreign policy issue in the past 6 years.

Television educational and informational messages were broadcast by the National Endowment for the Preservation of Liberty in 49 Congressional districts and the District of Columbia in varying degrees of intensity from March through August (139 days). Ads were broadcast in difficult-to-win Congressional districts whose Congressmen were undecided as to their vote for or against Freedom Fighter aid. Over \$2,500,000 went to the television campaign alone.

\$750,000 was spent by Sentinel directly to build Congressional support for President Reagan. This included advocacy television messages in 32 Congressional districts, the production of two 30 minute television documentaries supporting the Nicaraguan Freedom Fighter cause filmed secretly in Nicaragua, active lobbying of Congress by a staff of 5, newspaper ads in major media markets (New York and the District of Columbia), and continuous work with Assistant Secretary, Bureau of Inter-American Affairs, Department of State, Elliott Abrams.

\$600,000 was spent by the National Endowment for the Preservation of Liberty to conduct pro-Nicaraguan Freedom Fighter speaking tours in 27 Congressional districts in the 7 months prior to the first House vote in March on Freedom Fighter aid.

\$85,000 was devoted to nine Washington, D.C. briefings with opinion leaders, political activists, and volunteer supporters for the Nicaraguan Freedom Fighter cause.

On the day in June of the historic House reversal, which resulted in a victory for Ronald Reagan on Freedom Fighter aid, it was determined that the National Endowment for the Preservation of Liberty and Sentinel had carried the support program for the President successfully into 32 of the 51 Democratic districts that ultimately stood with Ronald Reagan on this issue.

INTERNATIONAL BUSINESS COMMUNICATIONS  
 1912 SUNDERLAND PLACE NW  
 WASHINGTON DC 20036-1603  
 TELEPHONE (202) 387-3002 TELEX 3718712 IBCUSA

MEMO TO: Mr. Carl Russell Channell  
 President  
 National Endowment for the  
 Preservation of Liberty  
 1331 Pennsylvania Avenue, N.W.  
 Suite 350 South  
 Washington, D.C. 20005

FROM: Richard R. Miller

DATE: September 5, 1986

SUBJECT: Professional fees

## PROFESSIONAL FEES

David C. Fischer August retainer	\$20,000.00	PERL
David C. Fischer September retainer	\$20,000.00	
<u>TOTAL</u>		<u>\$40,000.00</u>

A 0070541

MAILGRAM SERVICE CENTER  
WIDPLETON, VA. 22645  
09PM

Western Union Mailgram

0-0066495252002 09/09/86 ICS IP=BGZ CSP WMSO  
1 2023636142 MCM TDBN WASHINGTON DC 09-09 1125P EST

ANTI-TERRORISM AMERICAN COMMITTEE  
1331 PENNSYLVANIA AVE NW SUITE 350 SOUTH  
WASHINGTON DC 20004

THIS IS A CONFIRMATION COPY OF THE FOLLOWING MESSAGE:

2023636142 TDBN WASHINGTON DC 100 09-09 1125P EST  
PMS LT COL OLIVER NORTH, DLR  
NATIONAL SECURITY COUNCIL RPT DLY MCM, DLR  
OLD EXECUTIVE OFFICE BLDG 17TH & PENNSYLVANIA AVE NORTHWEST  
WASHINGTON DC 20506  
DEAR COLONEL NORTH

WE HAVE THE HONOR TO INFORM YOU THAT CONGRESSMAN MICHAEL BARNES, Foe  
OF THE FREEDOM FIGHTER MOVEMENT, ADVERSARY OF PRESIDENT REAGAN'S  
FOREIGN POLICY GOALS AND OPPONENT OF THE PRESIDENT'S VISION FOR  
AMERICAN SECURITY IN THE FUTURE HAS BEEN SOUNDLY DEFEATED IN HIS BID  
TO BECOME THE DEMOCRATIC CANDIDATE FOR THE US SENATE FROM MARYLAND.

HIS DEFEAT SIGNALS AN END TO MUCH OF THE DISINFORMATION AND UNWISE  
EFFORT DIRECTED AT CRIPPLING YOUR FOREIGN POLICY GOALS.

WE AT THE ANTI-TERRORISM AMERICAN COMMITTEE (ATAAC) FEEL PROUD TO HAVE  
PARTICIPATED IN A CAMPAIGN TO ENSURE CONGRESSMAN BARNES DEFEAT.

FOR THE ANTI-TERRORISM AMERICAN COMMITTEE  
SPITZ CHANNELL, PRESIDENT, CLIFF SMITH, DIRECTOR, KRIS LITLEDAL, DIRECTOR  
1331 PENNSYLVANIA AVE NW SUITE 350 SOUTH  
WASHINGTON DC 20004

23:26 EST

MCMCOMP

A 0076004

TO REPLY BY MAILGRAM MESSAGE. SEE REVERSE SIDE FOR WESTERN UNION'S TOLL-FREE PHONE NUMBERS

THE NATIONAL ENDOWMENT FOR THE PRESERVATION OF  
**L I B E R T Y**

---

October 1, 1986

Chennell Corporation  
c/o Executive Suites  
1331 Pennsylvania Ave. NW  
Washington, DC 20004

**I N V O I C E**  
-----

Refund Request for Overpayment  
of October Rent

11,990.59

Due and payable upon receipt

A 0056702

1331 Pennsylvania Ave., N.W. Suite 350 South Washington, D.C. 20004 (202) 662-8700



INTERNATIONAL BUSINESS COMMUNICATIONS  
1917 SUNDRIAN PLACE, N.W.  
WASHINGTON, D.C. 20036-5208  
TELEPHONE (202) 452-6552  
TELEX 31671 IBUS

MEMO TO: Mr. Carl Russell Channell  
President  
National Endowment for the  
Preservation of Liberty  
1331 Pennsylvania Avenue, N.W.  
Suite 350 South  
Washington, D.C. 20005

FROM: Richard Miller

DATE: October 8, 1986

SUBJECT: Professional Fees

PROFESSIONAL FEES

David C. Fischer October retainer \$20,000.00

(Please make check payable to International Business Communications)

A 0027899

2032 Belmont Road, N.W.  
Washington D.C. 20009

October 8, 1986

National Endowment for the  
Preservation of Liberty  
Attention: Accounting Department

For consulting services rendered  
during October 1986.

\$ 10,000

\$10,000

Very truly yours,

Eric J. Olson

Nofziger &amp; Bragg

October 15, 1986

Mr. Dan Conrad  
Channell Corporation  
Suite 350  
1331 Pennsylvania Ave., NW  
Washington, DC 20004

Dear Dan:

The purpose of this agreement is to set forth the terms of the agreement pursuant to which Nofziger Communications will provide consulting services for Channell Corp..

Nofziger Communications provides consultation services to various corporate entities and has advised Channell that it has the capability to provide same in accordance with the provisions of this agreement. Channell Corporation has expressed its desire to have Nofziger Comm. provide such services with respect to issues which Channell may, from time to time, bring to the attention of Nofziger Comm. Therefore, the parties to this agreement hereby mutually agree as follows:

1. Channell Corporation hereby appoints Nofziger Comm. and Nofziger Communications hereby agrees to serve, as consultant to Channell Corp.

2. Nofziger Communications will advise Channell Corp. with respect to various issues, including the promulgation by Federal agencies of rules and regulations which impact the business activities of Channell Corporation. Channell Corp. agrees that it shall not use these consulting services or refer to the name of Franklyn (Lyn) Nofziger or the name of Nofziger Communications or Nofziger & Bragg Communications in connection with any fund raising or promotional activities, it being specifically understood that this relationship is for advice and counsel only.

3. This is a non-exclusive agreement, and Nofziger Comm. may render similar services to other persons, firms or corporations, and Channell Corporation may employ or engage other persons, firms or corporations to perform similar services for it.

A 0028645

1528 Eighteenth Street NW Washington, DC 20036 (202) 332-4030

October 15, 1986  
Channell Corporation  
Page -2-

4. Nofziger Comm. shall act at all times herein as an independent contractor, and nothing contained herein shall be construed to create the relation of principal and agent or employer and employee between the parties hereto. Channell Corp. is solely responsible for its own contractual and other obligations for performance of work and for all guarantees, bonds, salaries, expenses, taxes or any other liabilities incurred by Channell Corp. during the term of this agreement. Nofziger Comm. is not authorized to incur any debts or liabilities on behalf of Channell Corp., and Nofziger Comm. will in no manner be obligated to pay any monies on behalf of Channell Corp.

5. As compensation for the services rendered by Nofziger Communications during the term of this agreement, Channell Corp. will pay to Nofziger Comm. the sum of Two Hundred Forty Thousand Dollars (\$240,000.00), payable in installments of Twenty Thousand Dollars (\$20,000.00) per month, the first payment to be made on or before November 1, 1986 and successive payments to be made on or before the first of each month through November 1, 1987.

6. Channell Corp. agrees to reimburse Nofziger Comm. for all travel and lodging expenses incurred by Nofziger Comm. in the performance of its obligations under the terms of this agreement plus an administrative charge not to exceed 15% of the expenses actually incurred. Said travel and lodging expenses shall not exceed the sum of eight hundred dollars (\$800) per day without the prior written consent of Channell Corp. Itemized bills for expenses incurred by Nofziger Comm. pursuant to this agreement shall be mailed to Channell Corp. monthly and shall be due and payable to Nofziger Comm. on receipt.

7. Channell Corp. shall not directly or indirectly charge any compensation or expense payable under this agreement against any contract with the Government for any product or services.

8. In recognition by both parties hereto of the fact that the services to be rendered by Nofziger Comm. are personal, professional services, the parties hereby agree that Nofziger Comm. shall not subcontract with third parties to render the services covered by this agreement without Channell Corporation's prior written approval, and the parties further agree that no rights under this agreement shall be assigned or transferred by either party without the prior written consent of the other party.

A 0028646

October 15, 1986  
Channell Corporation  
Page -3-

9. This agreement shall commence on October 15, 1986 and shall continue in effect through October 15, 1987. Either party may terminate this agreement with or without cause upon thirty (30) days written notice to the other party. The term of this agreement may be extended beyond the original term by written agreement of the parties. If this agreement is cancelled the obligation to pay future fees is also cancelled.

10. All final bills for expenses incurred by Nofziger Comm. prior to the date of termination shall be mailed to Channell Corporation as soon as practicable following said termination. Nofziger Comm. shall deliver to Channell Corp. all papers and other materials prepared by Nofziger Comm. for the use of Channell Corporation under this agreement within thirty (30) days following the termination of this agreement. All information obtained by Nofziger Comm. about Channell Corp. and Channell Corporation's activities shall be kept confidential and shall not be disclosed by Nofziger Comm. after termination of this agreement without Channell Corporation's prior written approval.


11. Nofziger Comm. will be free to render consulting services to other organizations. It is understood, however, that if Nofziger Comm. becomes aware that any organization to which it is or may be rendering services sponsors or produces goods or services which conflict with Channell Corporation's, Nofziger Comm. will notify Channell Corp. If such consulting activity could result in a conflict of interest Channell Corp. will have the right to terminate this agreement.


12. This agreement, and the performances or breach hereof, shall be governed by the substantive and procedural laws of the District of Columbia. Any disputes arising out of or relating to the performance or breach of this agreement shall be finally resolved by arbitration held in the District of Columbia before a single arbitrator, pursuant to the rules then obtaining of the American Arbitration Association. Judgment upon any award may be entered in any court of competent jurisdiction.

13. This agreement contains the entire agreement of the parties and may be modified only by their mutual agreement in writing. Any notice pursuant to this agreement may be made by mail, cable or telex to the addresses set forth hereinbelow or to such changed address as one party may advise by written notice to the other party.

October 15, 1986  
 Channell Corporation  
 Page -4-

IN WITNESS WHEREOF, the parties have hereunto set their hands  
 on this 20 day of October, 1986, mutually  
 agreeing to the terms set forth in this agreement.

  
 -----  
 NOFZIGER COMMUNICATIONS, INC.  
 1526 - 18th Street, NW  
 Washington, DC 20036

  
 -----  
 CHANNELL CORPORATION  
 Suite 350  
 1331 Pa. Ave., NW  
 Washington, DC 20004

Nofziger & Bragg

October 24, 1986

Mr. Dan Conrad  
 Channell Corporation  
 Suite 350  
 1331 Pennsylvania Ave., NW  
 Washington, DC 20004

Consulting Services:

October 15 - November 15, 1986.....\$20,000

Please remit to:

NOFZIGER COMMUNICATIONS, INC.  
 1526 - 18th Street, NW  
 Washington, DC 20036  
 EIN: 52-1243358

EXAMINER NUMBER		NO.		ACTION NUMBER		DATE		AMOUNT		DATE		AMOUNT	
2		11		51 0716 546112		NOV 3, 86		\$521.34		NOV 16, 86		\$526.34	
CHANNEL CORPORATION NOV 16, 86 \$526.34													
SUBURBAN BANK TOTAL PAID													
10888-8109:51 0716 546112-80													

Safe  
Deposit  
Boxes



2032 Belmont Road, N.W.  
Washington D.C. 20009

November 3, 1986

National Endowment for the  
Preservation of Liberty  
Attention: Accounting Department

For consulting services rendered  
during November 1986.

\$ 7500  

---

\$ 7500  

---

Very truly yours,  
Eric G. Olson

A 0057159

Nofziger & Bragg

December 16, 1986

Mr. Dan Conrad  
Channell Corporation  
Suite 350  
1331 Pennsylvania Ave., NW  
Washington, DC 20004

Consulting Services:

December 15, 1986 - January 15, 1987.....\$20,000

\* ATTENTION \*

Please remit to:

NOFZIGER COMMUNICATIONS, INC.  
1526 - 18th Street, NW  
Washington, DC 20036  
EIN: 52-1243358

1526 Eighteenth Street, N.W. Washington, D.C. 20036 (202) 332-4030

A 0041725

2032 Belmont Road, N.W.  
Washington D.C. 20009

December 19, 1986

National Endowment for the  
Preservation of Liberty  
Attention: Accounting Department

For consulting services rendered  
during December 1986.

\$ 10,000

\$ 10,000

Very truly yours,

Eric G. Olson

Tracy 1/5

# KUYKENDALL COMPANY

December 22, 1986

Mr. Spitz Channell, President  
National Endowment for the Preservation of Liberty  
1331 Pennsylvania Avenue, NW - Suite 350  
Washington, D. C. 20002

Attention: Mr. Dan Conrad

Fee due for services rendered for December, 1986	<u>\$12,000.00</u>
--	--------------------

TOTAL DUE KUYKENDALL COMPANY	\$12,000.00
------------------------------	-------------

KC:lp

A 10-10-90

517 3rd Street. S.E. • Washington. D.C. 20003 • 202/546-2196



2201 OLD COURT ROAD BALTIMORE MARYLAND 21208 (301) 296-5330

December 23, 1986

Mr. Spitz Channel  
NATIONAL ENDOWMENT FOR THE  
PRESERVATION OF LIBERTY  
1331 Pennsylvania Ave., NW - Suite 350-S  
Washington, D. C. 20004

Dear Mr. Channel:

Mr. Goodman asked me to write you regarding the audit we did and sent you, via Federal Express, yesterday. As you can see from the covering sheet, the American Conservative Trust owes us \$122,531.95 and we owe National Endowment for the Preservation of Liberty \$125,757.57. As soon as we receive a check from American Conservative Trust, we will be more than happy to reimburse National Endowment for the Preservation of Liberty.

To double check the accuracy of our books, we are attempting to match station invoices against monies received.

Sincerely,

Melva H. Croghan

MHC

A 0000000



2201 OLD COURT ROAD BALTIMORE MARYLAND 21208 (301) 296-5330

December 22, 1986

AMERICAN CONSERVATIVE TRUST	Amount Due	\$ 122,531.95
NATIONAL ENDOWMENT FOR THE PRESERVATION OF LIBERTY	Credit Balance	(125,757.57)
SENTINEL		<u>-0-</u>
	TOTAL CREDIT	<u><u>(\$3,225.62)</u></u>

A 007004

INTERNATIONAL BUSINESS COMMUNICATIONS  
1912 SUMMIT PLACE, N.W.  
WASHINGTON, D.C. 20036-1000  
TELEPHONE (202) 696-6660  
TELEX 3710712 IBCLSA

MEMO TO: Mr. Carl Russell Channell  
President  
National Endowment for the  
Preservation of Liberty  
1331 Pennsylvania Avenue, N.W.  
Suite 350 South  
Washington, D.C. 20005

FROM: Richard R. Miller

DATE: December 31, 1986

SUBJECT: Professional Fees

## PROFESSIONAL FEES

David C. Fischer January retainer

- \$20,000.00

A 0037721

INTERNATIONAL BUSINESS COMMUNICATIONS  
1915 SACHS ROAD, SUITE 400  
WASHINGTON, D.C. 20006-1608  
TELEPHONE (202) 655-6555  
TELEX 371117 IBCUS

MEMO TO: Mr. Carl Russell Channell  
President  
National Endowment for the  
Preservation of Liberty  
1331 Pennsylvania Avenue, N.W.  
Suite 350 South  
Washington, D.C. 20005

FROM: Richard R. Miller

DATE: January 5, 1987

SUBJECT: Professional Fees

PROFESSIONAL FEES:

For public relations and media consulting on behalf of NEPL during the month of January, 1987, please forward a check in the amount of \$20,000.00 made payable to International Business Communications.

6 0150697



1/5/87

"Reconnaissance"	"Freedom Can't Work"
"True Colors"	"Korean Airliner"
"Thank You"	"Freedom Can't Work" Garwood
"President's Oath"	"Freedom Can't Work" Pierce
"Terrorist Influence"	"Terrorism Influence"
"Helicopters"	
"Refugees"	
"They Are Us"	
"Letter"	
"Throw Money"	
"Morning of Peace"	

Paid by ACT

Paid by NEPL

"Does He Know?" Barnes  
 "Fact Check A" Barnes  
 "Fact Check B" Barnes  
 "Fact Check C" Barnes  
 "Time Check 8:30" Barnes  
 "Time Check 11:30" Barnes  
 "Does He Know?" De La Garza  
 "Fact Check A, B, C" De La Garza

Paid by Sentinel + NEPL

A 0000117

*This is a political struggle*

Public Affairs Strategy  
for  
Spitz Channell & NEPL

*Army  
weapon  
strategy  
Action*

Introduction

This document is a strategy paper designed to help NEPL and you defuse the controversy caused by the recent libelous accusations made against you. This is prepared with consultation from several of your senior consultants and reflects our best judgment on the means to put these scurrilous charges behind you. We suggest you review this document with your attorney, advertising agencies and other consultants not part of IBC, David C. Fischer & Associates, and the Kuykendall Co.

PREMISES:

1. The Transcam money charge made anonymously by Senator Kerry and picked up by the Lowell Sun, Miami Herald, UPI and NBC-TV, as well as in lesser degree other major news organizations is a lie.
2. The accusation, coupled with the above charge, that Lt. Colonel North coordinated your educational and campaign expenditures is patently false.

FACTORS GOVERNING STRATEGY:

1. Liberal Democrats on Capitol Hill have used, and will continue to use, the charges to strip you of your ability to help the President.
2. Conservatives and conservative fundraisers are angry that you raised money from people they must count on for contributions and therefore have dried up as a funding source for them.
3. You are the head of several diverse organizations and are the single focus of this and future news stories.
4. Some of your consultants and ad people have confused the issues with reporters and your statements have been used largely to reinforce the notion of North's control over your activities.
5. You have an arsenal of truth and an army of supporters. But they must be mobilized.

A 00771--

## CONCLUSION:

We must begin a three-track program designed to defuse the original allegations, cut off Congressional action against you and put you back on an even keel.

The three tracks are as follows:

TRACK I - IRANSCAM ALLEGATION  
JANUARY 15 - 16, 1986

CONTROLLED RELEASE - Through a controlled media release using selected interviews, we will demonstrate the dubious nature of these allegations. With the Coopers & Lybrand income audit, we will destroy the allegation that you got Iran scam money. In the same interviews we will drop the fact that we are preparing libel proceedings against the Lovell Sun, UPI, Knight Ridder and possibly NBC-TV. This will demonstrate our credibility and make it possible to deny, believably, that North coordinated your activities.

The present list does not include reporters we might select from the stack of messages you received. They are as follows:

CBS-TV --  
Washington Post -- Tom Edsal  
The New York Times -- R.W. Apple  
Wall Street Journal --  
Baltimore Sun -- Karen Hurser  
New Republic -- Fred Barnes  
Human Events -- Tom Winter  
Time -- Barry Seaman (Still open for discussion)  
AP -- (Still open for discussion)

After the interviews are completed and we have gone through one news cycle, the consulting team will present one of two options for the announcement of the 1987 Central American Freedom Program:

- OPTION 1) - News Conference, January 19 or 20  
National Press Building
- OPTION 2) Controlled Release, January 19-21  
With Political Writers and Editors

TRACK II - CONGRESSIONAL FOES AND FRIENDS  
JANUARY 5-23

The select committees are not even convening until late January and early February. But, during this time, staff members will be picking their targets. We should

~~Move quickly to reassure~~ our friends and to placate our new-found antagonists. *Burke Bush*

We will use copies of checks until the Coopers & Lybrand audit is through, and only with trusted friends. The schedule of meetings and who will attend will be handled by Dan Kuykendall in conjunction with Lyn Nofziger and I.B.C. The present targets are broken out in three categories: our friends who can publicly support us now; reasonable members who have not supported us but are men of fair play; and our new antagonists who should be forced to see the truth. The list includes all the contact possibilities.

#### FRIENDS

Broomfield -	Dan Kuykendall (DK)
Trent Lott -	Dan Kuykendall
Dick Cheney -	Dan Kuykendall
Bob Dole -	DK, Dave Fischer, Lyn Nofziger
Bob Michel -	Dan Kuykendall
Orrin Hatch -	Dave Fischer, Dan Kuykendall

#### RESPONSIBLE MEMBERS

Dante Fascell -	DK, Steve Schwartz, Penn Kemble
Sen. Boren -	Bruce Cameron, Penn Kemble
Sen. Rudman -	Dan Kuykendall
Sen. Tribble -	Dan Kuykendall
Bill Richardson -	Frank Gomez
Kika de la Garza -	Dan Kuykendall
Claude Pepper	Penn Kemble, Denise O'Leary
Dan Mica	Penn, Denise O'Leary, DK
Sen. Graham	Denise O'Leary, Steve Schwartz
Dave McCurdy -	Penn Kemble, Bruce Cameron
Ike Skelton -	Penn Kemble, Bruce Cameron
Bustamante -	Dan Kuykendall

#### ANTAGONISTS

*- 11/11/79?*

Unreasonable  
 Senator Metzenbaum  
 Senator Kerry *Lakey?*

Reasonable  
 Jake Pickle  
 Cong. Coleman

When these are each contacted and the Coopers & Lybrand audit is made public, the issue will be greatly defused on Capitol Hill.

TRACK III - POLITICAL TRACK  
JANUARY 5-20

The White House, State Department and NSC must be reassured that there is no validity to these charges. All your consultants will be contacting past and present officials to share the Coopers & Lybrand audit with them and to create an understanding of the different organizations and media used in your programs. In this way, we can start some independent sources feeding the journalists at the same time we establish a reservoir of sympathy among Reagan supporters for the terrible way NEPL was libelled. There will be no list and each consultant will be responsible for his own contacts.

We will reconvene a full strategy group next week to begin preparation of documents and videotapes for the media. We counsel that until that time you refuse all interviews.

2032 Belmont Road, NW  
Washington D.C. 20009

January 5, 1987

National Endowment for the  
Preservation of Liberty  
Attention: Accounting Department

For consulting services rendered  
during January 1987.

\$ 10,000

\$ 10,000

Very truly yours,

Eric J. Olson



*American Conservative Trust*

Victory in 86

January 13, 1987

Mr. Robert Goodman  
c/o Ms. Melva H. Croghan  
The Robert Goodman Agency, Inc.  
2201 Old Court Road  
Baltimore, MD 21208

Dear Mr. Goodman:

Mr. Channell has asked me to prepare a summary of my findings from the audit I performed regarding our account with the Robert Goodman Agency.

Upon review of the 1985 invoices I found several instances where the American Conservative Trust (ACT FED) was billed instead of the National Endowment for the Preservation of Liberty (NEPL) or the American Conservative Trust State Election Fund (ACT SEF).

Listed below are the significant invoices that should have been billed to NEPL in 1985:

Project Name	Description	Inv #	Amount
-----	-----	----	-----
Freedom Can't Work	Production	4 04	10,000.00
Korean Airliner	Production	4104	10,000.00
Morning of Peace	Production	4223	15,000.00
Morning of Peace	Media Buy	4233	5,460.00
Morning of Peace	Media Buy	4239	4,935.00
Morning of Peace	Distribution	4243	1,115.46
Morning of Peace	Distribution	4249	197.64
Morning of Peace	Story boards	4254	570.28
Morning of Peace	Media Buy	4219	49,950.00
Morning of Peace	Media Buy	4232	8,050.00
Nicaragua Update	Distribution	4243	840.14
Morning of Peace	Media Buy	4246	5,200.00
Miscellaneous	Distribution	4244	440.69
Miscellaneous	Distribution	4259	270.75
N/A	Limo service	4150	287.50
FCW;KA;PD	Audio Cassettes	4132	66.92
FCW;KA;PD	Storyboards	4128	849.23
			-----
			113,233.61
			=====

Listed below are the significant invoices that should have been billed to ACT SEF rather than NEPL in 1985:

Miscellaneous	Limo Service	4137	391.00	
	ACT FED	ACT SEF	NEPL	SENTINEL
Amounts Invoiced: 1985	226,548.86	0.00	81,328.35	0.00
Proposed Adjustment	(226,548.86)	113,315.25	113,233.61	0.00
		391.00	(391.00)	
	-----	-----	-----	-----
	0.00	113,706.25	194,170.96	0.00
Amounts Paid: 1985	0.00	(114,085.00)	(193,792.21)	0.00
	-----	-----	-----	-----
Amount owed/(Refund due)	0.00	(378.75)	378.75	0.00
for Y/E 1985	=====	=====	=====	=====

Listed below are the significant invoices that should have been billed to NEPL in 1986:

Morning of Peace	Media buy	4232	1,800.00
Morning of Peace	Distribution	4310	70.61
			-----
			1,870.61
			=====

Listed below are the significant invoices that should have been billed to ACT SEF in 1986:

Back Down/Elec Day Distribution	5057	805.00		
		=====		
	ACT FED	ACT SEF	NEPL	SENTINEL
Amounts Invoiced: 1986	40,723.44	0.00	830,094.99	130,118.61
Proposed Adjustment	(1,870.61)	0.00	1,870.61	
Proposed Adjustment	(805.00)	805.00	0.00	
	-----	-----	-----	-----
	38,047.83	805.00	831,965.60	130,118.61
Amounts Paid: 1986	(28,050.35)	(805.00)	(838,133.70)	(130,118.61)
	-----	-----	-----	-----
Amount owed/(Refund due)	9,997.48	0.00	(6,168.10)	0.00
for Y/E 1986	=====	=====	=====	=====



	ACT FED	ACT SEF	NEPL	SENTINEL
Net Invoices 85 & 86	267,272.30	0.00	911,423.34	130,018.63
Proposed Adjustments	(229,224.47)	114,511.25	114,713.22	0.00
Adjusted Billings	38,047.83	114,511.25	1,026,136.56	130,018.63
Pymts 85/86 per RGA	(144,740.35)	0.00	(1,095,798.24)	(130,018.63)
Adjustments:				
Seperate ACT A/C	114,890.00	(114,890.00)		
Pymt 3/12/86 #1770 NEPL	1,800.00		(1,800.00)	
Refund #4539			16,115.72	
Refund #4659			37,556.61	
Refund #4744 Omaha			12,000.00	
Rebate WTTG TV			(7,055.00)	
Adjusted payments	(28,050.35)	(114,890.00)	(1,038,980.91)	(130,018.63)
Balance due/(Refund due)	9,997.48	(378.75)	(12,844.35)	0.00
	=====	=====	=====	=====

ROBERT BOODMAN AGENCY  
 1985 PROJECT INVOICES

DATE	INV. #	PROJECT NAME	DESCRIPTION	AMOUNT	ACT	AMOUNT INVOICED- NET
04/23/85	4104	FREEDOM CAN'T WORK	PRODUCTION	10,000.00		10,000.00
04/23/85	4104	KOREAN AIRLINE	PRODUCTION	10,000.00		10,000.00
04/23/85	4105	COMMISSION REBATE	PRODUCTION	(3,119.75)		(3,119.75)
04/23/85	4105	MEDIA BUY 4/18-4/23	WJLA TV WASH DC	25,950.00		25,950.00
04/23/85	4105	MEDIA BUY 4/18-4/23	WOLZ TV MIAMI FL	5,875.00		5,875.00
04/23/85	4105	MEDIA BUY 4/18-4/23	WJRC TV BEAUMONT TX	950.00		950.00
04/23/85	4105	MEDIA BUY 4/18-4/23	KFTM TV BEAUMONT TX	1,960.00		1,960.00
04/23/85	4105	MEDIA BUY 4/18-4/23	KMTV TV BEAUMONT TX	490.00		490.00
04/23/85	4105	MEDIA BUY 4/18-4/23	WABC TV KANSAS CITY MO	5,000.00		5,000.00
04/23/85	4105	MEDIA BUY 4/18-4/23	KTNH TV TULSA OK	5,000.00		5,000.00
04/23/85	4105	MEDIA BUY 4/18-4/23	KGBH TV ALBUQUERQUE NM	3,560.00		3,560.00
04/23/85	4105	MEDIA BUY 4/18-4/23	WTAJ TV PHILA PA	15,000.00		15,000.00
04/23/85	4105	MEDIA BUY 4/18-4/23	WHSB TV CLEVELAND OH	5,090.00		5,090.00
04/23/85	4105	MEDIA BUY 4/18-4/23	WCCB TV CHARLOTTE NC	5,015.00		5,015.00
04/23/85	4105	MEDIA BUY 4/18-4/23	WFOR TV DALLAS TX	9,075.00		9,075.00
04/23/85	4105	MEDIA BUY 4/18-4/23	WTHI TV WATERBURY CT	4,500.00		4,500.00
				104,345.25	104,345.25	0.00
04/17/85	WIRE	FREEDOM CAN'T WORK	PAYMENT/NET	(20,000.00)		(20,000.00)
04/17/85	WIRE	FREEDOM CAN'T WORK	PAYMENT/ACT SEF	(35,000.00)	(35,000.00)	
04/18/85	WIRE	FREEDOM CAN'T WORK	PAYMENT/ACT SEF	(40,000.00)	(40,000.00)	
05/31/85	1081	FREEDOM CAN'T WORK	PAYMENT/NET	(5,000.00)		(5,000.00)
08/14/85	1188	FREEDOM CAN'T WORK	PAYMENT/NET	(4,345.25)		(4,345.25)
				(104,345.25)	(75,000.00)	(29,345.25)
				0.00	29,345.25	(29,345.25)
05/28/85	4119	PARTY'S OVER	PRODUCTION	6,000.00		6,000.00
06/10/85	4127	MEDIA BUY 5/28-6/4	KTBC TV AUSTIN TX	2,170.00		2,170.00
06/10/85	4127	MEDIA BUY 5/28-6/4	WOLZ TV MIAMI FL	1,500.00		1,500.00
06/10/85	4127	MEDIA BUY 5/28-6/4	WJLA TV WASH DC	17,600.00		17,600.00
06/11/85	4131	MEDIA BUY 6/10	WJLA TV WASH DC	1,700.00		1,700.00
				28,970.00	28,970.00	0.00
04/17/85	1345	PARTY'S OVER	PAYMENT/ACT SEF	(6,000.00)	(6,000.00)	
05/23/85	1352	PARTY'S OVER	PAYMENT/ACT SEF	(21,000.00)	(21,000.00)	
06/11/85	7777	PARTY'S OVER	PAYMENT/NO RECORD	(1,700.00)	(1,700.00)	
08/14/85	1188	PARTY'S OVER	PAYMENT/NET	(270.00)		(270.00)
				(28,970.00)	(28,700.00)	(270.00)
				0.00	270.00	(270.00)
06/10/85	4128	FCM:NA:PO	PRODUCTION: STORYBOARDS	849.23	849.23	
06/11/85	4132	FCM:NA:PO	PRODUCTION: AUDIO CASSETTES	66.92	66.92	
06/25/85	4137	N/A	LINO SERVICE	391.00		391.00
07/01/85	4143	NO PLACE TO HIDE	VHS/CASSETTES	125.00		125.00
07/15/85	4150	N/A	LINO SERVICE	287.50		287.50
11/14/85	4244	MISCELLANEOUS	PRODUCTION: DISTRIBUTION	440.69		440.69
11/26/85	4259	MISCELLANEOUS	PRODUCTION: DISTRIBUTION	270.75		270.75
				2,431.09	1,915.09	516.00
05/23/85	1352	MISCELLANEOUS	PAYMENT/ACT SEF	(385.00)	(385.00)	
08/14/85	1188	MISCELLANEOUS	PAYMENT/NET	(11,334.65)		(11,334.65)
12/05/85	1526	MISCELLANEOUS	PAYMENT/NET	(711.44)		(711.44)
				(2,431.09)	(385.00)	(2,046.09)
				0.00	1,530.09	(1,530.09)

A 000087



2201 OLD COURT ROAD BALTIMORE MARYLAND 21208 (301) 296-5330

January 15, 1987

Mr. Spitz Channel  
American Conservative Trust  
1331 Pennsylvania Ave., NW  
Suite 350 - South  
Washington, DC 20004

Dear Spitz:

Enclosed is the documentation you requested regarding payments received from American Conservative Trust accounts. As you can see from the breakdown, some payments were identified as coming from the state account, some from the federal account and also some simply identified in our records as coming from A.C.T. or American Conservative Trust.

Sincerely,

*Colleen W. Vickers*  
Colleen W. Vickers  
Treasurer

Enclosures

A 006079-

***the robert goodman agency, inc.***1985 Income ReceivedAMERICAN CONSERVATIVE TRUST

5/23/85	\$ 21,385.00	Wired
5/31/85	6,000.00	Wired
6/11/85	<u>1,700.00</u>	Wired

\$ 29,085.00

AMERICAN CONSERVATIVE TRUST (State Election Fund)

4/17/85	\$ 35,000.00	Wired
4/18/85	40,000.00	Wired
10/30/85	<u>10,000.00</u>	Ch. #1490

\$ 85,000.00

1986 Income ReceivedAMERICAN CONSERVATIVE TRUST

6/26/86	\$ 50.35	Ch. #1204
10/28/86	<u>14,000.00</u>	Wired

\$ 14,050.35

AMERICAN CONSERVATIVE TRUST (State Election Fund)

11/10/86	\$ 805.00	Ch. #1643
----------	-----------	-----------

AMERICAN CONSERVATIVE TRUST (Federal)

11/6/86	\$ 6,000.00	Wired
11/7/86	<u>8,000.00</u>	Wired

\$ 14,000.00

A 0040797

INTERNATIONAL BUSINESS COMMUNICATIONS  
 1917 SUNDRIANG PLACE N.W.  
 WASHINGTON, D.C. 20036  
 TELEPHONE (202) 855-8550  
 TELEX 3718717 IBCUSA

MEMO TO: Mr. Carl Russell Channell  
 President  
 National Endowment for the  
 Preservation of Liberty  
 1331 Pennsylvania Avenue, N.W.  
 Suite 350 South  
 Washington, D.C. 20005

*OK to pay  
dlc*

FROM: Richard R. Miller

DATE: February 2, 1987

SUBJECT: Professional Fees

PROFESSIONAL FEES:

Professional services	\$40,000.00
Central American Freedom Program II Research	\$12,000.00

GRAND TOTAL: \$52,000.00

A 000000

INTERNATIONAL BUSINESS COMMUNICATIONS  
 1915 SUNDERLAND PLACE, N.W.  
 WASHINGTON, D.C. 20006-6626  
 TELEPHONE (202) 656-6556  
 TELEX 371817 IBCC SA

MEMO TO: Mr. Carl Russell Channell  
 President  
 National Endowment for the  
 Preservation of Liberty  
 1331 Pennsylvania Avenue, N.W.  
 Suite 350 South  
 Washington, D.C. 20005

FROM: Richard R. Miller

DATE: February 2, 1987

SUBJECT: Professional Fees

PROFESSIONAL FEES:

Professional services	\$40,000.00
Central American Freedom Program II Research	<u>\$12,000.00</u>

GRAND TOTAL: \$52,000.00

*1. Mr. R. Miller - HCF*

A 0040507

2032 Belmont Road, N.W.  
Washington D.C. 20009

February 18, 1987

National Endowment for the  
Preservation of Liberty  
Attention: Accounting Department

For consulting services rendered  
during February 1987

\$ 5,000  

---

\$ 5,000  

---

Very truly yours,  
Eric G. Olson

6-0057147

UNO TALKING POINTS <sup>C</sup> H 029023

Adolpho Calero - President of the FDN and member of UNO

Who makes up the FDN fighters

Who are the people swelling FDN ranks today

Constant need for supply and training

The military push toward a crisis for the Sandinistas

- Boaco

- Estali

A common FDN battlefield saying

Arturo Cruz - former Nic. Ambassador and Presidential candidate,  
member of UNO

The Sandinistas' present political crisis.

The ~~climate of~~ crisis present in the Nicaraguan political community

The future holds a democratic Nicaragua

Alfonso Robelo - Former member of the Sandinista ruling Junta, member of  
UNO

The economic crisis in Nicaragua

The support of the people

The Southern front and the multiplication of supporting groups.

Thomas Borge quote, "Nicaragua is the door we will kick open to liber  
the United States."



C H 02902

## GREEN BRIEFING:

*April 23rd*  
 B Introduction - Begin with the day congress voted down the President's aid package to the freedom fighters. Up to that point the communists had done the following:

1. Airplanes
2. Airports
3. trainers
4. machines
5. heavy equipment

1. Ortega goes to Moscow

- a. Moscow promises material support
- b. Moscow promises advisors:
- c. Moscow promises weapons systems

2. Freedom Fighters in the same period.

A. Miraculous that they survived at all.

- 1) Lack of supplies
- 2) No airlifts, resupply by horseback and backpack
  - (a) restricted interior action
  - (b) wasted supplies to reach the resupply points
  - (c) no chance for interior use of heavy weapons
  - (d) no pre-staging gatherings because of time factor
  - (e) no hospital or medivac capacity to support interior action

b. Map with overlay showing the penetration of freedom fighters as of April 1985

A Sandanista military build-up since ~~June 1984~~ *MAY 1984*  
 BELMAD HILLMENT (CT 1984)

1. Hind helicopters
2. Cubans in the field
3. Free fire zones
4. Military airfields buildup

C H 029025

5. soviet deepwater port
6. pacific coast base improvements
7. forced recruitment
8. material and heavy weapons systems delivered

*DC* The situation today

1. Supply is up to speed, warehouses are well supplied
2. Heavy lifting airdrops have begun and have successfully resupplied forward units without them running the risk of border crossing
3. Light plane forward deployment of supplies to reinforce southern front and central concentrations
4. Medivac and field first aid supply
5. The impact of Freedom Fighters on a government in an economic and political crisis
6. Strategic implications of newly supplied forces
  - a) Cutting the Rama Road
  - b) Boaco battle
  - c) Bridge destruction
7. Map overlays of present penetrations and major battles.

*Oct 17th*  
*E* The future - ~~the two million dollar a month war~~

800 tons of \$27M has been delivered  
 we've been delivering in last 3 wks  
 the clouds are clearing soon  
 - there is very little time left for delivery

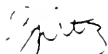
INTERNATIONAL BUSINESS COMMUNICATIONS  
 1912 SUNDERLAND PLACE, N.W.  
 WASHINGTON, D.C. 20036-1608  
 TELEPHONE (202) 387-3002 TELEX 3718712 IBCUSA

Dan:

As per Spitz's request, I am attaching a list of open seats in the House of Representatives. The NRCC has listed all GOP Members as priority targets and the following Democrats as probable pickups AL 7, CO 2, IA 6, LA 7 LA 9, MD 8, NC 3, OK 1, OR 4, PA 7, SD at large. They have also targeted the following sitting Democrats for defeat Stallings ID 2, McCloskey IN 9, Carr MI 6, Young MO 2, Neal NC 5, Feighan OH 19, Aucoin OR 1, Kostmayer PA 8, Kanjorski PA 11, Bryant TX 5, Pickle TX 10, Lloyd TN 3.

I hope this is what your looking for.

STEVE



CENTRAL AMERICAN FREEDOM PROGRAM

A Joint Project of  
The National Endowment for the Preservation of Liberty  
and  
Sentinel  
305 4th Street NE  
Washington, DC 20002  
(202) 547-1986

4-0001546

## CENTRAL AMERICAN FREEDOM PROGRAM

Introduction

1986 is destined to be a landmark year in the advancement of freedom throughout the world. After a generation of increasing tyranny and authoritarianism, the winds of change are rising. These winds are carrying freedom movements on four continents toward a victory over communist domination.

And Ronald Reagan, leading a rejuvenated America, has caught these winds of change. He is dramatically aligning American policy, resources, and moral support with the force of that gathering storm.

President Reagan's policy, when fully developed, is destined to trigger the overthrow of communist tyranny. This will happen around the world, in Afghanistan, Angola, Mozambique, Kampuchea and, most important, Nicaragua.

America's relationship with communist Nicaragua experienced an absolute moral and political reversal when Ronald Reagan became President of the United States.

The Carter Administration, like millions of Nicaraguans, had been fooled by the communists who captured the leadership of the anti-Somoza revolution in 1979. Once in power, the communist junta began systematically lying to the world about the true policies and purposes of their revolutionary government.

But Ronald Reagan was not fooled. So, moved by new leadership, American policy toward Nicaragua's communist government changed sharply in 1981. Then the U.S. declared support for the Nicaraguan Freedom Fighters.

Since 1981, opposition to the communist-controlled Nicaraguan regime has gradually become a very powerful internal democratic movement. It claims the support of over 25,000 well armed Nicaraguans and literally hundreds of thousands of ordinary Nicaraguans. Nearly 400,000 (one out of every six Nicaraguans) lives under Freedom Fighter protection.

The democratic forces have endured years of conflict with a communist army easily six times their number. More remarkably, they have steadily increased their ranks in the midst of the struggle. These democratic forces

continued to gain strength even during the year and a half that United States aid was suspended.

1986 finds the democratic forces stronger than ever. But so is their communist enemy. Ronald Reagan has offered decisive assistance to the democratic forces. And, if this assistance is fully endorsed by the Congress, it could, in fact, carry them to victory over communism in Nicaragua this year.

When victory occurs, it will have historic and political significance throughout the Western Hemisphere. Its impact will be felt by every Freedom Fighter in the world. Its possibility will haunt every communist dictator.

Finally, Ronald Reagan's actions will herald a new dynamic American policy. It is a policy of materially supporting freedom movements struggling to overthrow communist regimes. Freedom is on the offensive.

#### Description of the Problem

If Ronald Reagan is to succeed in meeting the needs of Freedom Fighter movements for years to come, it will be necessary to create a deep reservoir of public support for Freedom Fighters and the President's policy.

Such public support will come only if the American people truly understand the stakes and the opportunities the Reagan policies embody.

The memories of Vietnam, however inapplicable, remain fresh, as does the urge to have America fight for clearly recognizable just causes. So President Reagan, if he is to be successful, must carry into this foreign policy arena the unified support of the American people.

In spite of the headlines and the debates during the last five years, the American public remains woefully ignorant about Nicaragua. They don't understand the clear threat it poses to vital American security interests.

A 1985 public opinion poll showed more than one-third of those surveyed did not know which side the United States supports. Twenty percent thought we support the (communist) government!

A later poll found that among those aware of U.S. policy, 58% said we should not be giving aid to the Democratic Opposition.

It is tragic, but not surprising that so many people are ill-informed, and that so many oppose our policies. It's not surprising because the American public is the victim of an intense, sophisticated multi-million dollar disinformation campaign. It is being conducted by

opponents of the President.

The Sandinistas abuse the freedoms in the U.S. that they deny to their own people. They do this by hiring a Washington law firm and two public relations firms under contract to spread disinformation.

They are aided by the Soviet Union and Cuba. The Soviets and Cubans already spend tens of millions of dollars to shape public policy in America. Their actions are supported by a vast network of communist and leftist activist sympathizers. Soviet spokesmen regularly seek tv time. Phil Donahue gave Nicaraguan dictator Ortega an hour in October.

These people operate at the grass-roots level and in Washington. They use the media and all the tools at their disposal to undermine the policies of our elected government.

This is why President Reagan needs the support and cooperation of clear-thinking, patriotic Americans. We must counter the disinformation program of the Sandinistas. We must educate the public on the policies, the players, the dangers and the realities.

The National Endowment for the Preservation of Liberty is helping the President do just that.

### Solution

The National Endowment for the Preservation of Liberty has undertaken a nationwide program of indefinite duration known as the CENTRAL AMERICAN FREEDOM PROGRAM.

The overriding goal of this program is to educate the American people. It will show the realities of communism in Nicaragua. It will show the threat to U.S. national security.

We have chosen television as the major vehicle. We believe it is the most successful to carry our educational and informative messages to the public.

The CENTRAL AMERICAN FREEDOM PROGRAM will require the National Endowment for the Preservation of Liberty to spend \$2,000,000 in the next 90 days.

This is over \$160,000 every week for public education and information on the issue of Nicaragua. A longer, \$3 million program is under consideration and will be implemented if required to fully educate the American public.

When our program achieves its public awareness goals, it will become a useful model for similar activities by other in the future. Our program is truly unique. It has

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become the pioneering effort in this area.

Central American Freedom Program

The National Endowment for the Preservation of Liberty is focusing its education program on seven issues. They are:

- 1) Nicaraguan communist persecution of its citizens;
- 2) Denial of religious and political rights;
- 3) The creation of an aggressive armed Soviet satellite on the North American continent;
- 4) The creation of Cuban bases inside Nicaragua;
- 5) The threat Nicaragua now poses to its neighbors both through state terrorism and outright aggression;
- 6) Support for revolution in El Salvador;
- 7) Betrayal of the true anti-Somoza democratic revolution by the Nicaraguan communists.

The issues listed above represent the principal points our programs will make in the minds of Americans. We are also emphasizing other issues such as the origin, nature, organization and objectives of the Freedom Fighters..

We are developing the images of the UNO leadership. We are graphically showing the situation facing over 400,000 Nicaraguan refugees. And we are presenting the political and human rights goals of the Freedom Fighters themselves.

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## Public Affairs Components

### Central American Freedom Program

The Sandinistas have two public relations firms and two law firms either registered as foreign agents or working sub rosa in the United States.

They have a combined budget of \$2 million. They are using this war chest to concentrate on the districts of Congressmen who have opposed aid to the Freedom Fighters.

They have also stepped up the use of Op-Eds and articles in national newspapers written by sympathetic Americans. They have planted disinformation, too, like the recent articles accusing the FDN of drug trafficking.

An ignorant and misinformed public is one of the principal objectives of the communists. They recognize that ignorance and apathy in local communities across America leaves the doors wide open to the opponents of Administration policy.

And given the activism of those opponents, they are the ones who are often visible to members of Congress. A legislator who only hears from the critics can ignore logic and danger. He can vote to deny U.S. assistance to those on the front lines in the battle against communism in our hemisphere. So, the public must be better informed.

The public is quite unaware of the true nature of the Sandinistas as well as the existence of a viable democratic alternative. They do not support efforts to overthrow any government and fear U.S. involvement in another Vietnam.

This ignorance and the isolation it produces have been the Sandinista's principal advantages in the debate. We intend to evaporate those advantages through the use of truth.

### Objectives

As Congressional debate heats up on this issue, we should expect the Sandinistas, their foreign agents and liberal sympathizers to give it all they have.

We are in the last weeks of a national campaign to be decided by the American public. If the public remains apathetic, the President's democratic initiative will be defeated.

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If we are successful, America will have a policy that sounds the death knell of America's post-Vietnam feeling of impotency. It will end America's retreat from her responsibilities as the leader of the free world.

To accomplish this, the National Endowment for the Preservation of Liberty is addressing four audiences using specifically targeted communications strategies:

The public - Through the use of strong negative images of the Sandinistas recently reported in the media.

Policymakers - Democratic leadership issues provide the groundwork for more challenging arguments that can influence liberals and moderates.

Congress - Through issues now associated with America's leadership role in supporting democracy in the region against the developing communist threat. NEPL, as an educational organization, is not permitted to engage in lobbying activities. Our co-sponsor, Sentinel, is permitted to engage in lobbying activities and will undertake the responsibility of bringing this important issue to the attention of members of Congress.

Freedom Fighter Leadership - Without a sound belief in the capabilities of the resistance's leadership, no policy can succeed in Congress.

#### Program Elements

Time is short and we are fighting for public support over a wide geographic area. So, we are treating this like a national educational campaign, with March 15 as our target.

We are using the methodology of national political campaigns. We are seeking to emphasize the disturbing truth about the communist control over Nicaragua. We are debating the unclaimed issues to our advantage. And we are reinforcing our positive public perceptions to educate and inform.

We are using advertising and public affairs programs for each of the four program objectives listed above. They are being handled as follows:

The Public - The public has been exposed recently to several negative images of the Sandinistas. We use these images to reinforce the public perception that the Sandinistas are communists and tyrannical dictators. We employ the following techniques:

Television advertising - We have analyzed Congressional action on the last aid package.

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Based on this research, we are producing materials for television spots which focus on:

- 1) Daniel Ortega's trip to Moscow and the \$220 million commitment he received from the Soviets for offensive military weaponry.
- 2) The recent crackdown on human rights directed against the entire Nicaraguan population.
- 3) Ortega's purchase of \$3,500 in designer eyeglasses while his people starve.
- 4) The communists militarization of Nicaragua through Soviet, Libyan, East German, Cuban and other advisors, and the use of Nicaragua as a command center for subversion of her democratic neighbors.
- 5) That Cubans are now proved to be actively involved in combat.
- 6) That Nicaragua has become a lair and a refuge.
- 7) The humiliation of Pope John II when he was spat upon and heckled when he tried to conduct Mass in Managua.

Spokesman program - using the prototype program already underway, we are placing speakers in 50 markets between now and March 15, 1986.

These speakers are booked into a civic club or professional organization in a market. Then they are scheduled for television, radio and newspaper interviews.

The speakers come from the ranks of the United Nicaraguan Opposition (UNO) leadership. They can defend all UNO participants.

They focus on Sandinista excesses and UNO as the democratic alternative. The principal concentration for these speakers are the southern and western states.

Battlefield Videotape - Sandinista state security agents rigidly control the movements of foreign correspondents, especially television journalists in or visiting Nicaragua. That control is exercised through:

- 1) Escort "guides" and interpreters;
- 2) Denial of access to selected parts of the country;
- 3) Imposition of "taboo" themes;
- 4) Screening and censorship of footage for export;

A 0011557

- 5) Monitoring of telephones and telex;
- 6) Expulsion or denial of entry to any offenders.

At the same time, coverage from the northern border is extremely arduous and far from the areas where the Resistance is operating.

The result is timid, selective, highly censored and heavily biased television coverage. Battle zones are only presented from the Sandinista perspective.

We are providing major media outlets and local television stations with videotape from the field. It shows scenes never seen before in the U.S.

It includes combat footage and evidence of Sandinista atrocities. We are also providing footage and commentary on events inside Managua and other major population centers.

This footage will be used in three ways:

- 1) An experienced advertising agency is producing advertising for distribution in as many as 50 selected markets across the United States.
- 2) A satellite feed will be edited and fed each time new footage is obtained. These feeds will reach approximately 200 television stations in the U.S. Usage reports will be received daily.
- 3) A new documentary on the face of communism in Nicaragua and the use of internal repression will be produced. This theme will be countered with a segment showing the Freedom Fighters as the logical outgrowth of Sandinista tyranny.

#### Policymakers

Given the compressed time frame, policymakers can be best reached through an effort that is visible in Washington and the national media. The issues used to reach Congress should be centered on America's leadership responsibilities in this hemisphere.

The primary effort is focused in specially selected areas of the country, but we are reinforcing this effort with a public affairs and education program including:

A. Articles and Op-Eds written by prominent American leaders on Nicaragua as a center of terrorism. We will use recent revelations of Nicaraguan arms being used in the Colombian Supreme Court assaults.

We will cite evidence of Libyan, PLO and Iranian terrorists working in Nicaragua. From these facts, we will produce articles for paid distribution, single placement in national newspapers and general media distribution.

4 0077554

- B. Religious persecution of all faiths can be used to touch and educate the public, producing a positive effect on the policymakers.

Jewish, Catholic and Protestant organization publications are being approached to interview defectors and religious figures who know the persecution firsthand.

The National Endowment for the Preservation of Liberty is arranging a series of meetings with religious leaders and journalists. We will also help to produce an article by a prominent American religious figure for paid distribution.

- C. Another Cuba on the North American Continent is unacceptable to almost all Americans. If the issue is picked up by constituents it would be a strong message for policymakers.

The National Endowment for the Preservation of Liberty is utilizing these arguments in the speakers program already underway. An American exiled Cuban has been commissioned to write an article for paid distribution throughout the U.S.

A Cuban exile leader has been added to the spokesman program.

- D. Drugs and politics are a bad mix. Nicaragua's support for and role in narcotics trafficking are issues with which no one can publicly disagree.

We will ask Don Johnson of MIAMI VICE, or a strong anti-drug figure such as Rosie Greer, to give a briefing on the drug trafficking evidence the Administration has on the Sandinistas.

He will be asked to write an Op-Ed piece for national distribution through paid and direct placements.

The National Endowment for the Preservation of Liberty would seek to get this super-spokesman on major television shows such as TODAY and GOOD MORNING AMERICA.

We would also produce a news spot for satellite distribution.

- E. The Sandinistas are violating human rights at an unprecedented level in this hemisphere.

The National Endowment for the Preservation of Liberty is providing radio, television and newspaper interviews with two researchers who have compiled a report on Sandinista human rights

violations.

They are being commissioned to do an update on their report with a trip to Honduras and Costa Rica. On their return they will hold a Washington news conference and issue a report to Congress through a respected Senator or Congressman.

- F. The Revolution of 1979 has been betrayed by the Sandinistas. The National Endowment for the Preservation of Liberty will produce a news spot for satellite distribution on the lives of three former Sandinistas who now fight with the FDN/UNO.

#### Congress

We expect to reach Congress primarily through the media we will be using for the policymakers. However, special briefings will also be used to educate specific target audiences within this group.

These briefings will be arranged by our co-sponsor, Sentinel. Briefings may feature drug enforcement experts or political scientists who have studied Cuban expansionism.

#### Freedom Fighter Leadership

The National Endowment for the Preservation of Liberty has begun to provide spokesmen training for the leadership and provide information feedback to reinforce that training. We will provide UNO leaders with public opinion analyses.

When possible, we are incorporating the UNO leadership in events and briefings that further their image of unity.

#### Conclusion

Without an opportunity to see the truth about the Sandinistas, the American public will defeat democracy in Nicaragua.

Through its public education program, the National Endowment for the Preservation of Liberty will give the President a chance to free this continent of communism. We will strike a decisive blow for democracy.

A 000056

## CENTRAL AMERICAN FREEDOM PROGRAM BUDGET

## 1. Television field projects

## Personnel

- field producer
- camera man
- sound man
- correspondent

## Equipment

- six cameras
- sound package
- editing machine
- character generators

## Transportation

- airfares
- ground transportation
- local travel

## Travel expenses

- in-country expenses
- U.S. travel for editing

## Studio time

- in-country studio for editing
- U.S. production facilities

## Tapes supplies

- tape stock
- battery packs
- lights and reflectors

(\$60,000 per month for 5 months)

\$ 300,000

## 2. Marketing of field TV programs

(5 projects at \$24,000 per)

120,000

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## 3. Speaking tour program

## Tour to include:

- speaking engagements
- editorial board meetings
- television interviews
- radio interviews
- newspaper interviews
- briefings for church, business, labor, political, and college organization leaders

Costs for tours  
(January to March 15, 1986)

## Travel

(7 weeks, 2 speakers,  
each week \$8,700) \$121,800

## Per diem for speakers

(\$220 per day, 5 days per  
trip, 7 weeks for 2  
speakers per week) 15,400

## Expenses

(ground transportation, phones,  
tips, \$800 per trip, for 14  
one week schedules) 11,200

SUBTOTAL 148,400

## 4. Supplementary services, including:

- postage
- telephones
- telex
- couriers
- translations

(\$4,700 per month for 5 months) 27,750

## 5. Administration/Coordination, including:

## Professional staff:

- 2 senior partners
- 1 local coordinator
- 1 Program Coordinator
- 1 Senior Writer
- 2 Account Executives
- 1 Media Coordinator

## Verification of Placement

- clipping retrieval
- polling data assembling
- monitoring network feedback

(\$53,500 for 2 months, January  
to March 15) 107,000

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## 6. Advertising and paid media

## Television advertising:

Production of 4 TV messages \$ 80,000

D.C. media buys 225,000

Nationwide market buys 750,000

SUBTOTAL 1,055,000

## 7. National Media Placement

- Network and syndicated TV and Radio

- National newspapers

- National periodicals

158,850

## 8. Polling and research

- national

- local

83,000

GRAND TOTAL \$2,000,000

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A 0003559

1. White House strategists targeted 53 representatives whose votes could be swayed to support Ronald Reagan in the Nicaraguan aid vote. The White House asked us to mount a campaign in support of the President's policies. We were given just five days to act. Our message appeared on prime time network stations in 12 districts. Eight of the representatives voted yes to support the President. The ad was so significant in the debate that it was shown on CBS network news.
2. Since January, 1985, ACT has begun a public education campaign in major newspapers across the U.S. These include the New York Times, the Washington Post, Washington Times, Dallas Morning News and others. These messages have been in direct support of Ronald Reagan. Special positions taken have been in support of the President's position in Nicaragua, <sup>and</sup> his strategic defense initiative (the President's space defense proposal). A sample message is enclosed. The purpose of this public education campaign is to forcefully present conservative positions to the public in the leading liberal media. We are reaching out to the new majority the President is trying to consolidate.
3. ACT supported several conservative challenger candidates in the 1984 election. Among those we supported were Phil Gramm, (R., TX), Beau Boulter (R., TX) and Bob Dornan (R., CA). ACT was the only national political action committee that conducted independent expenditure campaigns to increase the number of Republican governorships. We won. Governor Arch Moore won in West Virginia by just 3% of the vote. We spent \$52,000 in this campaign. ACT's support of Governor Arch Moore was considered crucial to his victory.
4. At the request of President Ronald Reagan, ACT participated in a humanitarian effort to aid the 100,000 homeless Nicaraguan refugees. ACT contributed over \$150,000 to this effort in the last 60 days.

## CENTRAL AMERICA SPEAKERS PROGRAM

## IMPACT ANALYSIS/FACTS &amp; FIGURES

States visited	.....	12
Cities visited	.....	56
Editorials visited	.....	17
Total of editorials in support of the aid	.....	33
Newspaper interviews	.....	46
Articles published	.....	25
Votes for aid (both Republican and Democrats)	.....	32

## C.A. SPEAKERS PROGRAM/IMPACT ANALYSIS &amp; FINAL REPORT

## -SUMMARY-

The following summary shows the number of cities visited, the number of editorials written in those cities and whether or not they favored aid to the Nicaraguan Freedom Fighters, and the number of Republican and Democratic votes coming from those areas in support or against the aid.

CALIFORNIA	TOTAL	YES	NO	NEUTRAL
Cities visited:	2			
Editorials:	3		3	
Votes:	4		4	
FLORIDA	TOTAL	YES	NO	NEUTRAL
Cities visited:	10			
Editorials:	13	3	8	2
Votes:	12	10	2	
GEORGIA	TOTAL	YES	NO	NEUTRAL
Cities visited:	5			
Editorials:	8	3	3	2
Votes:	7	5	2	
KENTUCKY	TOTAL	YES	NO	NEUTRAL
Cities visited:	6			
Editorials:	7	2	4	1
Votes:	6		6	
MISSOURI	TOTAL	YES	NO	NEUTRAL
Cities visited:	3			
Editorials:	7	2	5	
Votes:	5		5	
MISSISSIPPI	TOTAL	YES	NO	NEUTRAL
Cities visited:	2			
Editorials:	3		3	
Votes:	2	1	1	

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NORTH CAROLINA	TOTAL	YES	NO	NEUTRAL
Cities visited:	9			
Editorials:	11	10	1	
Votes:	7	1	6	
NEW MEXICO	TOTAL	YES	NO	NEUTRAL
Cities visited:	2			
Editorials:	3	2	1	
Votes:	2	1	1	
OKLAHOMA	TOTAL	YES	NO	NEUTRAL
Cities visited:	2			
Editorials:	2	2		
Votes:	5	3	2	
SOUTH CAROLINA	TOTAL	YES	NO	NEUTRAL
Cities visited:	2			
Editorials:	4	2	2	
Votes:	3	1	2	
TENNESSEE	TOTAL	YES	NO	NEUTRAL
Cities visited:	4			
Editorials:	6	2	4	
Votes:	4		4	
TEXAS	TOTAL	YES	NO	NEUTRAL
Cities visited:	9			
Editorials:	14	5	4	5
Votes:	23	11	12	

## C.A. SPEAKERS PROGRAM/IMPACT ANALYSIS &amp; FINAL REPORT

CALIFORNIA:

CITY: San Jose  
VISITED: November 27 by Xavier Arguello  
EDITORIALS: The Mercury-News: AGAINST  
C. DISTRICTS: Democrats: Edwards (d. 10) VOTED NO  
Mineta (d. 13) VOTED NO

CITY: San Francisco  
VISITED: November 28-29 by Xavier Arguello

EDITORIALS: The Chronicle: AGAINST  
The Examiner: AGAINST

C. DISTRICTS: Democrats: Burton (d. 5) VOTED NO  
Boxer (d. 6) VOTED NO

## FLORIDA:

CITY: Jacksonville  
 VISITED: February 5 by Alvaro Montalvan  
 March 10 by Carlos Icaza

EDITORIALS: The Florida Times-Union: IN SUPPORT  
 The Journal: IN SUPPORT

C. DISTRICTS: Democrats: Bennett (d. 3) VOTED YES  
 Chappell (d. 4) VOTED YES

CITY: Daytona Beach  
 VISITED: February 6 by Alvaro Montalvan  
 March 11 by Carlos Icaza

EDITORIALS: The Journal: AGAINST  
 The News: AGAINST  
 The News-Journal: AGAINST

C. DISTRICTS: Democrats: Chappell (d. 4) VOTED YES

CITY: Ft. Lauderdale  
 VISITED: February 7 by Alvaro Montalvan  
 March 12 by Carlos Icaza

EDITORIALS: News-Sun-Sentinel: AGAINST

C. DISTRICTS: Republicans: Shaw (d. 15) VOTED YES

CITY: Orlando  
 VISITED: February 10 by Alvaro Montalvan  
 March 13 by Carlos Icaza

EDITORIALS: The Sentinel: AGAINST

C. DISTRICTS: -Democrats: Nelson (d. 11) VOTED YES  
 -Republicans: McCollum (d. 5) VOTED YES

CITY: Lakeland  
 VISITED: February 11 by Alvaro Montalvan  
 March 14 by Carlos Icaza

EDITORIALS: The Ledger: IN SUPPORT

C. DISTRICTS: Republicans: Ireland (d. 10) VOTED YES

CITY: Tampa  
 VISITED: February 12 by Alvaro Montalvan  
 EDITORIALS: Tampa Tribune: NEUTRAL  
 C. DISTRICTS: Democrats: Gibbons (d. 7) VOTED YES

CITY: Ocala  
 VISITED: February 13 by Alvaro Montalvan  
 EDITORIALS: The Star-Banner: AGAINST  
 C. DISTRICTS: Democrats: MacKay (d. 6) VOTED NO

CITY: Gainesville  
 VISITED: February 14 by Alvaro Montalvan  
 March 17 by Carlos Icaza  
 EDITORIALS: The Gainesville Sun: AGAINST  
 C. DISTRICTS: Democrats: MacKay (d. 6) VOTED NO

CITY: Tallahassee  
 VISITED: March 18 by Carlos Icaza  
 EDITORIALS: The Tallahassee Democrat: AGAINST  
 C. DISTRICTS: Democrats: Fuqua (d. 2) VOTED YES

CITY: Panama City  
 VISITED: March 19 by Carlos Icaza  
 EDITORIALS: The News Herald: NEUTRAL  
 C. DISTRICTS: Democrats: Hutto (d. 1) VOTED YES



## GEORGIA

CITY: Atlanta  
 VISITED: March 10 by Teofilo Archibold  
 March 17 by Mario Calero  
 March 19 by Mario Calero

EDITORIALS: -The Constitution: AGAINST  
 -The Journal: AGAINST  
 -The Daily World: IN SUPPORT

C. DISTRICTS: -Republicans: Swindall (d. 4) VOTED YES  
 Ginrich (d. 6) VOTED YES  
 -Democrats: Fowler (d. 5) VOTED NO

CITY: Marietta  
 VISITED: March 11 by Teofilo Archibold

EDITORIALS: The Daily Journal: IN SUPPORT

C. DISTRICT: Democrats: Darden (d. 7) VOTED YES

CITY: Macon  
 VISITED: March 12 by Teofilo Archibold

EDITORIALS: The Telegraph News: AGAINST

C. DISTRICTS: Democrats: Rowlands (d. 8) VOTED YES

CITY: Columbus  
 VISITED: March 18 by Teofilo Archibold

EDITORIALS: The Enquirer: COMPROMISE  
 The Ledger: COMPROMISE

C. DISTRICTS: Democrats: Ray (d. 3) VOTED NO

CITY: Savannah  
 VISITED: March 19 by Teofilo Archibold

EDITORIALS: The Morning News: IN SUPPORT

C. DISTRICTS: Democrats: Thomas (d. 1) VOTED YES

## KENTUCKY

CITY: Louisville  
 VISITED: February 24 by Xavier Arguello

EDITORIALS: The Courier-Journal: AGAINST  
 The Times: AGAINST

C. DISTRICTS: Democrats: Mazzoli (d. 3) VOTED NO

CITY: Frankfort  
 VISITED: February 25 by Xavier Arguello

EDITORIALS: The State Journal: AGAINST

C. DISTRICTS: Republicans: Hopkins (d. 6) VOTED NO

CITY: Lexington  
 VISITED: February 26 by Xavier Arguello

EDITORIALS: The Herald-Leader: AGAINST

C. DISTRICTS: Republicans: Hopkins (d. 6) VOTED NO

CITY: Bowling Green  
 VISITED: February 27 by Xavier Arguello

EDITORIALS: The Daily News: NEUTRAL

C. DISTRICTS: Democrats: Natcher (d. 2) VOTED NO

CITY: Owensboro  
 VISITED: February 28 by Xavier Arguello

EDITORIALS: The Messenger-Inquirer: IN SUPPORT

C. DISTRICTS: Democrats: Natcher (d. 2) VOTED NO

CITY: Paducah  
 VISITED: February 28 by Donald Lacayo

EDITORIALS: The Paducah-Sun: IN SUPPORT

C. DISTRICTS: Democrats: Hubbard (d. 1) VOTED NO

## MISSOURI

CITY: St. Louis/St. Charles  
 VISITED: January 13 by Xavier Arguello  
 January 14 by Xavier Arguello  
 February 17 by Donald Lacayo  
 March 18 by Mario Calero

EDITORIALS: The Globe Democrat: IN SUPPORT  
 The Post Dispatch: AGAINST

C. DISTRICTS: Democrats: Clay (d. 1) VOTED NO  
 Gephardt (d. 3) VOTED NO  
 Young (d. 2) VOTED NO

CITY: Columbia  
 VISITED: January 15 by Xavier Arguello  
 February 18 by Donald Lacayo

EDITORIALS: The Missourian: AGAINST  
 The Daily Tribune: IN SUPPORT

C. DISTRICTS: Democrats: Volkmer (d. 9) VOTED NO

CITY: Jefferson City  
 VISITED: January 16 by Xavier Arguello  
 February 19 by Donald Lacayo

EDITORIALS: The Capital News: AGAINST  
 The Post-Tribune: AGAINST  
 The News-Tribune: AGAINST

C. DISTRICTS: Democrats: Skelton (d. 4) VOTED YES

## MISSISSIPPI

CITY: Jackson  
 VISITED: January 18 by Xavier Arguello  
 February 20 by Donald Lacayo

EDITORIALS: The Clarion-Ledger: AGAINST  
 The Daily-News: AGAINST

C. DISTRICTS: Democrats: Dowdy (d. 4) VOTED YES

CITY: Tupelo  
 VISITED: February 21 by Donald Lacayo

EDITORIALS: NE Mississippi Daily-Journal: AGAINST

C. DISTRICTS: Democrats: Whitten (d. 1) VOTED NO

## NORTH CAROLINA

CITY: Winston-Salem  
 VISITED: January 14 by Mario Calero  
 February 27 by Teofilo Archibold  
 February 28 by Teofilo Archibold  
 EDITORIALS: The Winston-Salem Journal: IN SUPPORT  
 C. DISTRICTS: Democrats: Neal (d. 5) VOTED NO

CITY: Kannapolis  
 VISITED: January 15 by Mario Calero  
 March 5 by Teofilo Archibold  
 EDITORIALS: The Daily-Independent: AGAINST  
 C. DISTRICTS: Democrats: hefner (d. 8) VOTED NO

CITY: Durham  
 VISITED: January 16 by Mario Calero  
 January 20 by Mario Calero  
 February 25 by Teofilo Archibold  
 EDITORIALS: The Morning-Herald: IN SUPPORT  
 The Sun: IN SUPPORT  
 C. DISTRICTS: Democrats: Valentine (d. 2) VOTED NO

CITY: Raleigh  
 VISITED: January 17 by Mario Calero  
 February 26 by Teofilo Archibold  
 EDITORIALS: The News-Observer: IN SUPPORT  
 The Times: IN SUPPORT  
 C. DISTRICTS: Republicans: Cobey (d. 4) VOTED YES

CITY: Wilmington  
 VISITED: January 21 by Mario Calero  
 March 3 by Teofilo Archibold  
 EDITORIALS: The Morning Star: AGAINST  
 C. DISTRICTS: Democrats: Rose (d. 7) VOTED NO

CITY: Fayetteville  
 VISITED: January 22 by Mario Calero  
 March 4 by Teofilo Archibold  
 EDITORIALS: The Observer-Times: IN SUPPORT  
 C. DISTRICTS: Democrats: Rose (d. 7) VOTED NO

CITY: Wilson  
 VISITED: February 24 by Teofilo Archibold  
 EDITORIALS: The Daily Times:  
 C. DISTRICTS: Democrats: Valentine (d. 2) VOTED NO

## NEW MEXICO

CITY: Albuquerque/Santa Fe  
VISITED: November 22 by Xavier Arguello

EDITORIALS: The Journal: IN SUPPORT  
The Tribune: IN SUPPORT  
The New Mexican: AGAINST

C. DISTRICTS: -Republicans: Lujan (d. 1) VOTED YES  
-Democrats: Richardson (d. 3) VOTED NO

OKLAHOMA

CITY: Tulsa  
VISITED: November 25 by Xavier Arguello  
EDITORIALS: The Tulsa World: IN SUPPORT  
C. DISTRICTS: Democrats: Jones (d. 1) VOTED YES  
Synar (d. 2) VOTED NO

CITY: Oklahoma City  
VISITED: November 26 by Xavier Arguello  
EDITORIALS: The Daily Oklahoman: IN SUPPORT  
C. DISTRICTS: -Democrats: McCurdy (d. 4) VOTED NO  
English (d. 6) VOTED YES  
-Republicans: Edwards (d. 5) VOTED YES



## SOUTH CAROLINA

CITY: Rock Hill/Anderson  
 VISITED: February 11 by Mario Calero  
 March 6 by Teofilo Archibold  
 March 7 by Teofilo Archibold  
  
 EDITORIALS: The Evening-Herald: AGAINST  
 The Independent-Mail: AGAINST  
  
 C. DISTRICTS: Democrats: Derrick (d. 3) VOTED NO  
 Spratt (d. 5) VOTED NO  
  
 CITY: Columbia  
 VISITED: February 12 by Mario Calero  
  
 EDITORIALS: The State: IN SUPPORT  
 The Record: IN SUPPORT  
  
 C. DISTRICTS: Republicans: Spence (d. 2) VOTED YES

## TENNESSEE

CITY: Chattanooga  
 VISITED: January 27 by Xavier Arguello  
 February 24 by Donald Lacayo

EDITORIALS: The News-Free Press: IN SUPPORT  
 The Times: AGAINST

C. DISTRICTS: Democrats: Lloyd (d. 3) VOTED NO

CITY: Nashville  
 VISITED: January 28 by Xavier Arguello  
 January 29 by Xavier Arguello  
 February 26 by Donald Lacayo  
 March 12 by Jimmy Hassan  
 March 13 by Jimmy Hassan

EDITORIALS: The Tennessean: AGAINST  
 The Banner: IN SUPPORT

C. DISTRICTS: Democrats: Boner (d. 5) VOTED NO

CITY: Columbia  
 VISITED: January 30 by Xavier Arguello  
 February 25 by Donald Lacayo

EDITORIALS: The Daily Herald: AGAINST

C. DISTRICTS: Democrats: Gordon (d. 6) VOTED NO

CITY: Jackson  
 VISITED: January 31 by Xavier Arguello  
 February 27 by Donald Lacayo

EDITORIALS: The Jackson Sun: AGAINST

C. DISTRICTS: Democrats: Jones (d. 8) VOTED NO

## TEXAS

CITY: Houston  
 VISITED: November 18 by Xavier Arguello

EDITORIALS: The Post: AGAINST  
 The Chronicle: NEUTRAL

C. DISTRICTS: -Republicans: Barton (d. 6) VOTED YES  
 Archer (d. 7) VOTED YES  
 Fields (d. 8) VOTED YES  
 DeLay (d.22) VOTED YES  
 -Democrats: Brooks (d. 9) VOTED NO  
 Leland (d.18) VOTED NO  
 Andrews (d.25) VOTED NO

CITY: Dallas/Ft. Worth  
 VISITED: November 19 by Xavier Arguello  
 November 20 by Xavier Arguello  
 February 19 by Teofilo Archibold  
 February 20 by Teofilo Archibold  
 March 16 by Jimmy Hassan  
 March 17 by Jimmy Hassan

EDITORIALS: The Morning News: IN SUPPORT  
 The Times-Herald: AGAINST

C. DISTRICTS: -Republicans: Bartlett (d. 3) VOTED YES  
 Army (d.26) VOTED YES  
 -Democrats: Hall (d. 4) VOTED YES  
 Bryant (d. 5) VOTED NO  
 Frost (d.24) VOTED NO

CITY: El Paso  
 VISITED: November 21 by Xavier Arguello  
 February 17 by Teofilo Archibold

EDITORIALS: The Times: NEUTRAL  
 The Herald-Post: IN SUPPORT

C. DISTRICTS: Democrats: Coleman (d. 16) VOTED NO

CITY: Ahilene  
 VISITED: February 19 by Teofilo Archibold

EDITORIALS: The Reporter-News: IN SUPPORT

C. DISTRICTS: Democrats: Stenholm (d. 17) VOTED YES

CITY: Austin  
 VISITED: February 21 by Teofilo Archibold  
 EDITORIALS: The American Statesman: NEUTRAL  
 C. DISTRICTS: -Democrats: Pickle (d. 10) VOTED NO  
 -Republicans: Sweeney (d. 14) VOTED YES

CITY: San Antonio  
 VISITED: March 3 by Xavier Arguello  
 March 14 by Jimmy Hassan  
 March 15 by Jimmy Hassan  
 EDITORIALS: The Light: AGAINST  
 The Express: AGAINST  
 C. DISTRICTS: -Democrats: Gonzalez (d. 20) VOTED NO  
 Bustamante (d. 23) VOTED NO  
 -Republicans: Loeffler (d. 21) VOTED YES

CITY: Corpus Christi  
 VISITED: March 4 by Xavier Arguello  
 EDITORIALS: The Caller-Times: IN SUPPORT  
 C. DISTRICTS: Democrats: Coleman (d. 16) VOTED NO  
 Ortiz (d. 27) VOTED YES

CITY: Galveston  
 VISITED: March 5 by Xavier Arguello  
 EDITORIALS: The Daily News: NEUTRAL  
 C. DISTRICTS: Democrats: Brooks (d. 9) VOTED NO

CITY: Beaumont/Pt. Arthur  
 VISITED: March 6 by Xavier Arguello  
 March 7 by Xavier Arguello  
 EDITORIALS: The Enterprise: IN SUPPORT  
 The News: NEUTRAL  
 C. DISTRICTS: Democrats: Brooks (d. 9) VOTED NO

\*\*\* END \*\*\*

A 0075714

***the robert goodman agency, inc.***

N.E.P.L. "Freedom Fighters" TV

National Spot Placement

Television Analysis

Market Overview

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<u>Market</u>	<u># of Spots</u>	<u>HH GRPs</u>	<u>Total Cost</u>
MIAMI/WEST PALM BEACH	29	186	\$ 18,070.
ORLANDO/DAYTONA BEACH	62	568	\$ 27,250.
TAMPA/ST. PETERSBURG	42	289	\$ 8,920.
JACKSONVILLE	66	500	\$ 13,000.
SAN ANTONIO	29	430	\$ 18,430.
AUSTIN	73	605	\$ 16,950.
MCALLEN/BROWNSVILLE	30	500	\$ 4,450.
CORPUS CHRISTI	40	571	\$ 4,905.
NASHVILLE	35	641	\$ 21,315.
MEMPHIS	48	389	\$ 10,530.
CHATTANOOGA	58	465	\$ 8,910.
RALEIGH/DURHAM	47	471	\$ 21,100.
GREENVILLE/NEW BERN	40	502	\$ 4,200.
GREENVILLE/SPART./ASHEVILLE	30	410	\$ 15,000.
COLUMBIA	35	277	\$ 6,290.
MACON	26	458	\$ 6,415.
SAVANNAH	67	532	\$ 5,465.
ALBANY	24	493	\$ 2,820.
JACKSON, MS	56	715	\$ 9,380.
COLUMBUS/TUPELO	62	374	\$ 4,640.

2201 OLD COURT ROAD BALTIMORE MARYLAND 21208 (301) 296-5330

***the robert goodman agency, inc.***

N.E.P.L. "Freedom Fighters" TV  
 National Spot Placement  
 Television Analysis  
 Market Overview

Page Two

<u>Market</u>	<u># of Spots</u>	<u>HH GRPs</u>	<u>Total Cost</u>
OKLAHOMA CITY	16	200	\$ 6,675.
TULSA	62	611	\$ 16,290.
LOUISVILLE	40	403	\$ 11,520.
	<hr/>	<hr/>	<hr/>
NATIONAL MARKET TOTALS:	1017	10,590	\$262,525.
WASHINGTON, D.C. TOTALS:	101	867	\$ 99,225.
NATIONAL PROGRAM TOTALS:	1118	11,457	\$361,750.

A 0076195

***the robert goodman agency, inc.***

N.E.P.L. "Freedom Fighters" TV

National Spot Placement

Television Analysis

MIAMI/WEST PALM BEACH

Fascell (D-19th CD)	Yes
Pepper (D-18th CD)	Yes
Larry Smith (D-16th CD)	Yes
Shaw (R-15th CD)	Yes
LEHMAN (D-17th CD)	<u>NO</u>
Mica (D-14th CD)	Yes

29 Spots	186 HH GRPs	\$ 18,070.
----------	-------------	------------

ORLANDO/DAYTONA BEACH

MACKAY (D-6th CD)	<u>NO</u>
Chappell (D-4th CD)	Yes
McCollum (R-5th)	Yes
Nelson (D-11th CD)	Yes
Ireland (R-10th CD)	Yes

62 Spots	568 HH GRPs	\$ 27,250.
----------	-------------	------------

TAMPA/ST. PETERSBURG

MACKAY (D-6th CD)	<u>NO</u>
Gibbons (D-7th CD)	Yes
Young (D-8th CD)	Yes
Bilirakis (R-9th CD)	Yes
Ireland (R-10th CD)	Yes

42 Spots	289 HH GRPs	\$ 8,920.
----------	-------------	-----------

A 0076196

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N.E.P.L. "Freedom Fighters" TV  
National Spot Placement  
Television Analysis

Page Two

JACKSONVILLE

Bennett (D-3rd CD)	Yes
MACKAY (D-6th CD)	<u>NO</u>
Fuqua (D-2nd CD)	Yes
Chappell (D-4th CD)	Yes
Thomas (D-1st CD GA.)	Yes
Rowland (D-8th CD GA)	Yes

66 Spots	500 HH GRPs	\$ 13,000.
----------	-------------	------------

SAN ANTONIO

DE LA GARZA (D-15th CD)	<u>NO</u>
BUSTAMANTE (D-23rd CD)	<u>NO</u>
PICKLE (D-10th CD)	<u>NO</u>
GONZALEZ (D-20th CD)	<u>NO</u>
Loeffler (R-21st CD)	Yes
Sweeney (R-14th CD)	Yes

29 Spots	430 HH GRPs	\$ 18,430.
----------	-------------	------------

AUSTIN

PICKLE (D-10th CD)	<u>NO</u>
Leath (D-11th)	Yes
Sweeney (R-14th CD)	Yes
Loeffler (R-21st CD)	Yes

73 Spots	605 HH GRPs	\$ 16,950.
----------	-------------	------------

McALLEN/BROWNSVILLE

DE LA GARZA (D-15th CD)	<u>NO</u>
Ortiz (D-27th)	Yes

30 Spots	500 HH GRPs	\$ 4,450.
----------	-------------	-----------

A 0076197



***the robert goodman agency, inc.***

N.E.P.L. "Freedom Fighters" TV  
National Spot Placment  
Television Analysis

Page Three

CORPUS CHRISTI

DE LA GARZA (D-15th CD)	<u>NO</u>
Sweeney (R-14th CD)	Yes
Ortiz (D-27th CD)	Yes

40 Spots	571 HH GRPs	\$ 4,905.
----------	-------------	-----------

NASHVILLE

GORDON (D-6th CD)	<u>NO</u>
COOPER (D-4th CD)	<u>NO</u>
JONES (D-8th CD)	<u>NO</u>
HUBBARD (D-1st CD KY)	<u>NO</u>
NATCHER (D-2nd CD KY)	<u>NO</u>
Rogers (R-5th CD KY)	Yes
BONER (D-5th CD)	<u>NO</u>
Sundquist (R-7th CD)	Yes

35 Spots	641 HH GRPs	\$ 21,315.
----------	-------------	------------

MEMPHIS

JONES (D-8th CD)	<u>NO</u>
WHITTEN (D-1st CD MS)	<u>NO</u>
ALEXANDER (D-1st CD ARK)	<u>NO</u>
FORD (D-9th CD)	<u>NO</u>
Sundquist (R-7th CD)	Yes

48 Spots	389 HH GRPs	\$ 10,530.
----------	-------------	------------

A 0076196

***the robert goodman agency, inc.***

N.E.P.L. "Freedom Fighters" TV  
National Spot Placement  
Television Analysis

Page Four

CHATTANOOGA

DUNCAN (D-2nd CD)	<u>NO</u>
LLOYD (D-3rd CD)	<u>NO</u>
COOPER (D-4th CD)	<u>NO</u>
Flippo (D-5th AL)	Yes
Darden (D-7th GA)	Yes
Jenkins (D-9th GA)	Yes

58 Spots                      465 HH GRPs                      \$ 8,910.

RALEIGH/DURHAM

WHITNEY (D-3rd CD)	<u>NO</u>
HEFNER (D-8th CD)	<u>NO</u>
VALENTINE (D-2nd CD)	<u>NO</u>
Cobey (R-4th CD)	Yes
Coble (R-6th CD)	Yes
ROSE (D-7th CD)	<u>NO</u>

47 Spots                      471 HH GRPs                      \$ 21,100.

GREENVILLE/NEW BERN

JONES (D-1st CD)	<u>NO</u>
VALENTINE (D-2nd CD)	<u>NO</u>
WHITLEY (D-3rd CD)	<u>NO</u>

40 Spots                      502 HH GRPs                      \$ 4,200.

GREENVILLE/SPARTANBURG/ASHEVILLE

DERRICK (D-3rd CD)	<u>NO</u>
SPRATT (D-5th CD)	<u>NO</u>
Campbell (R-4th CD)	Yes

A 0076199

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N.E.P.L. "Freedom Fighters" TV  
 National Spot Placement  
 Television Analysis

Page Five

GREENVILLE/SPARTANBURG/ASHEVILLE (Continued)

Hendon (R-11th CD NC)	Yes	
Jenkins (D-9th CD GA)	Yes	
Barnard (D-10th CD GA)	Yes	
30 Spots	410 HH GRPs	\$ 15,000.

COLUMBIA

SPENCE (D-2nd CD)	<u>NO</u>	
DERRICK (D-3rd CD)	<u>NO</u>	
Tallon (D-6th CD)	Yes	
35 Spots	277 HH GRPs	\$ 6,290.

MACON

RAY (D-3rd CD)	<u>NO</u>	
Rowland (D-8th CD)	Yes	
26 Spots	458 HH GRPs	\$ 6,415.

SAVANNAH

Thomas (D-1st CD)	Yes	
Hartnett (R-1st CD SC)	Yes	
67 Spots	532 HH GRPs	\$ 5,465.

ALBANY

Hatcher (D-2nd CD)	Yes	A 0076200
RAY (D-3rd CD)	<u>NO</u>	
24 Spots	493 HH GRPs	\$ 2,820.

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N.E.P.L. "Freedom Fighters" TV  
 National Spot Placement  
 Television Analysis

Page Six

JACKSON, MS

Franklin (R-2nd CD)	Yes
Montgomery (D-3rd CD)	Yes
Dowdy (D-4th CD)	Yes

56 Spots	715 HH GRPs	\$ 9,380.
----------	-------------	-----------

COLUMBUS/TUPELO

WHITTEN (D-1st CD)	<u>NO</u>
Franklin (R-2nd CD)	Yes
Montgomery (D-3rd CD)	Yes

62 Spots	374 HH GRPs	\$ 4,640.
----------	-------------	-----------

OKLAHOMA CITY

Watkins (D-3rd CD)	Yes
McCURDY (D-4th CD)	<u>NO</u>
Edwards (R-5th CD)	Yes
English (D-6th CD)	Yes
SYNAR (D-2nd CD)	<u>NO</u>

16 Spots	200 HH GRPs	\$ 6,675.
----------	-------------	-----------

TULSA

Jones (D-1st CD)	Yes
Watkins (D-3rd CD)	Yes
SYNAR (D-2nd CD)	<u>NO</u>
Edwards (R-5th CD)	Yes

A 0076251

62 Spots	611 HH GRPs	\$ 16,290.
----------	-------------	------------

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N.E.P.L. "Freedom Fighters" TV  
 National Spot Placement  
 Television Analysis

Page Seven

LOUISVILLE

MAZZOLI (D-3rd CD)	<u>NO</u>
NATCHER (D-2nd CD)	<u>NO</u>
Snyder (R-4th CD)	Yes
HOPKINS (R-6th CD)	<u>NO</u>
HAMILTON (D-9th CD IND)	<u>NO</u>

40 Spots	403 HH GRPs	\$ 11,520.
----------	-------------	------------

A 0076202

NICARAGUA EFFORT  
TARGETED CONGRESSIONAL REPRESENTATIVES

STATE	PARTY	REPRESENTATIVE	DIST. OFF.	U.S.T. PHONE NO.
**AR	D	TOMMY ROBINSON	LITTLE ROCK(2)	(501) 378-5941
CA	K	ED ZSCHAU	SUNNYDALE(12)	(408) 730-8555
**CT	R	NANCY JOHNSON	NEW BRITAIN(6)	(203) 223-8412
CT	K	JOHN ROWLAND	WATERBURY(5)	(203) 573-1418
**FL	D	DON FUQUA	TALLAHASSEE(2)	(904) 681-7434
**FL	U	CHARLES BENNETT	JACKSON(3)	(904) 791-2587
**FL	D	BUDDY MAC KAY	OCALA(6)	(904) 351-8777
FL	D	SAM GIBBONS	TAMPA(7)	(813) 228-2101
FL	D	DANTE B. FASCELL	MIAMI(19)	(305) 350-5301
FL	D	DAN MICA	PALM BEACH(14)	(305) 732-4000
FL	D	CLAUDE PEPPER	MIAMI(18)	(305) 350-5565
FL	U	LAWRENCE SMITH	HOLLYWOOD(16)	(305) 987-6484
GA	U	CHARLES HATCHER	ALBANY(2)	(912) 439-8067
GA	U	J. ROY ROWLAND	DUBLIN(8)	(912) 275-0024
GA	D	ROBERT L. THOMAS	MOUMA(3)	(504) 876-3303
HI	U	CELIL HEFTEL	HONOLULU(1)	(808) 546-8997
**IA	R	TOM TAUKE	DUBUQUE(2)	(319) 557-7740
**ID	D	RICHARD STALLINGS	BOISE(2)	(208) 334-1953
IL	R	HARRIS FAWELL	HINDSDALE(13)	(312) 655-2052
**IL	D	MELVIN PRICE	E. ST. LOUIS(21)	(618) 274-2200
**KY	D	ROMANO MAZZOLI	LOUISVILLE(3)	(502) 582-5129
LA	U	CATHY LONG	ALEXANDRIA(8)	(318) 473-7430
MD	D	BEVERLY BYRON	FREDRICK(6)	(301) 662-8622
ME	K	JOHN MC KERNAN	PORTLAND(1)	(207) 780-3381
ME	R	OLYMPIA SNOWE	BANGOR(2)	(207) 945-0432
MI	R	ROBERT DAVIS	MARQUETTE(11)	(906) 228-3700
**MO	D	IKE SKELTON	BLUE SPRINGS(4)	(816) 228-4242
**MS	U	JAMIE WHITTEN	CHARLESTON(1)	(601) 647-2413
**NC	D	CHARLES WHITLEY	COLUMBORG(3)	(919) 736-1844
**NC	D	BILL HEFNER	CONCORD(8)	(704) 933-1615
**NE	K	DOUGLAS BEREUTER	LINCOLN(1)	(402) 471-5400
**NH	R	JUDD GREGG	CONCORD(2)	(603) 228-0315
NJ	R	MARGE ROUKEMA	RIDGEWOOD(5)	(201) 447-3900
**NJ	K	MATTHEW RINALDO	UNION(7)	(201) 687-4235
NY	D	MARIO BIAUGI	BRONX(19)	(212) 931-0100
NY	R	HAMILTON FISH	POUGH KEEPSIE(21)	(914) 452-4220
NY	K	BENJAMIN GILMAN	MIDDLETOWN(22)	(914) 343-6669
**NY	R	FRANK HORTON	ROCHESTER(29)	(716) 263-6270
NM	U	BILL RICHARDSON	SANTA FE(3)	(505) 988-6177
**OH	R	WILLIS GRADISON	CINCINNATI(2)	(513) 684-2456
**OK	U	JIM JONES	TULSA(1)	(918) 681-7111
**OK	D	WES WATKINS	ADA(13)	(405) 436-1980
**OK	D	DAVE MC CUDY	NORMAN(4)	(405) 329-6500
OK	U	GLENN ENGLISH	OKLAHOMA CITY(6)	(405) 231-5511
PA	D	JOHN MURTHA	JOHNS TOWN(12)	(814) 535-2462
PA	U	PAUL KANJORSKI	WILKES BARRE(11)	(717) 825-2200
**PA	R	BILL GOODLING	YORK(19)	(717) 843-8887

A 0081637

NIC:04

1

STATE	PARTY	REPRESENTATIVE	DIST. OFF.	DIST. PHONE NO.
**PA	R	TOM RIDGE	ERIE(21)	(814) 456-2038
**PA	R	BILL CLINGER	WARREN(23)	(814) 726-3910
PA	R	LAWRENCE COUGHLIN	NORRISTOWN(13)	(215) 277-8040
SC	D	BUTLER DEKRICK	ANDERSON(3)	(803) 224-7401
SC	D	JOHN SPRATT	ROCK HILL(5)	(803) 327-1114
**TN	D	MARLYN LLOYD	CHATTANOOGA(3)	(615) 267-9108
TN	D	WILLIAM BONER	NASHVILLE(5)	(615) 251-5295
TN	D	JIM COOPER	SHELBYVILLE(4)	(615) 684-1114
**TN	D	BART GORDON	MURFREESBORO(6)	(615) 896-1986
**IN	D	ED JONES(JOHNSON)	YUKKVILLE(8)	(901) 643-6123
**TX	D	MIKE ANDREWS	HOUSTON(25)	(713) 229-2244
TX	D	ALBERT BUSTAMANTE	SAN ANTONIO(23)	(512) 229-6191
TX	D	JIM CHAPMAN	SULPHUR SPRINGS	(214) 885-8682
TX	D	KUN COLEMAN	EL PASO(16)	(915) 541-7650
TX	D	E. de la GARZA	MC ALLEN(15)	(512) 682-5545
TX	D	SAM HALL	MAKSHALL(1)	(214) 938-8386
TX	D	SULOMON ORTIZ	CORP CHRIS(127)	(512) 883-5866
**TX	D	J.J. PICKLE	AUSTIN(10)	(512) 482-5921
VA	D	DAN DANIEL	DANVILLE(5)	(804) 792-1280
VA	D	NORMAN SISISKY	PORTSMOUTH(4)	(804) 393-2068
WA	K	SID MORRISON	KENNEWICK(4)	(509) 576-9702
WA	R	ROD CHANDLER	BELLEVUE(8)	(206) 442-0116
WI	D	LES ASPIN	JONESVILLE(1)	
**WI	R	STEVE GUNDERSON	BLK RIVER FALLS	(715) 284-7431
**WV	D	ALAN MOLLAHAN	CLARKSBURG	(304) 623-4422

A 0081638

7/7/85

Helen Marie Taylor: ask her to give

Rich Miller

E-H-37841

1. W.H. authorization letter for us + h
  - a. commercials
  - b. criteria:
    - past success
    - quick turnaround time
  - c. due by noon on Tues.
2. authorization letter from Calere empowering Rich + us to raise \$<sub>4</sub> immediately
3. meeting early Thurs. a.m.
4. give us 20 names of donors promised:
  1. to raise \$50K for their projects
  2. \$30K as their fee for the authorizations



ATC - 10 Maryland

<del>My Potankiewicz</del>	5.0	
<del>Anderson</del>	2.5	
<del>Brandon</del>	5.0	
<del>Drusich</del>	10.0	
<del>Gaywood</del>	3.0	
<del>Officer Parker</del>	1.0	
<del>Wynne (?)</del>	5.0	(3 Nippers)
<del>Lyne</del>	2.5	
<del>Wynne</del>	3.0	
<del>Bill Hill</del>	2.5	
<del>Harvey</del>	2.0	
<del>Wynn</del>	2.0	4.000

\$43,500 or 47,500

Quin. 8

Barbara	150,000	King	80,000
C. H. H.	200,000	Ledbetter	5,000
Boyle	58,000		
<del>Salvatore</del>	<del>50,000</del>		<u>85,000</u>
<del>Anderson</del>	<del>20,000</del>		
<del>Clayton</del>	<del>20,000</del>		
Allen	8,000		
Bennett	5,000		
Bush	1,000		
			586,000
			501,000

new list + \$  
 World-wide for \$  
 new list of toys <sup>with money</sup>  
 traps for \$  
 Sister from Ally to people <sup>dear</sup>  
 How much does Elliott <sup>new list</sup> <sup>in \$</sup>  
 aid request \$ <sup>100</sup> million <sup>per</sup>  
 Jane Ficker + Mary - no

Bruce I  
 continues Cuban split Sandanista's. refuses  
 declare for freedom fighters. Congress after.

- ① Credibility of R.R. peace efforts
- ② Deun's program of Castro's "character of movement"
- ③ more arming guns. - objective reporting of
- ④ Internal repression aspects. Eastern threat.

must convey threat  
 to U.S. interests.  
 Panama canal and  
 allied nations  
 Develop the threat.

Possible guerrillas  
 > fighting at beach  
 > stuck in jail  
 > equipment coming off road of  
 > soldiers getting murdered.

Types who may be invited  
to dinner  
Please fill in names.

- ✓ Embassy staff or / and Ambassadors
- ✓ Congressional specialists
- ✓ " " staff
- ✓ Senator Lugar or others
- ✓ Types of Press
- ✓ U.S. Staff
- ✓ Presidential Staff
- ✓ Charles Wick or others
- ✓ UN leaders

To Prepare A. S. & P.

- > Decision of remarks by President  
and other speakers at White House
- > Speaking order at dinner
- > Press conference, at utmost

# White House Briefing I

- GOS - 20 individuals at 10,000 each  
 - Calero appear at dinner  
 - Spot into ~~agreement~~ in White House  
 - Briefing in ~~Room~~ E O P.

White House Briefing III  
July 18 or 17

till  
 only

CARL CHAMBERLAIN AFFILIATED COMPANIES  
STATEMENT OF OPERATIONS - 1975CARL CHAMBERLAIN AFFILIATED COMPANIES  
STATEMENT OF OPERATIONS - 1975[illegible]

## 63901107M34X3

## PROJECT LEADERS

unlabeled	168,595	184,085	282,670
unlabeled, 100 pps		11,000	11,000
unlabeled, 1000 pps		1,940	14,972
unlabeled, 1000 pps, 1100s			15,052
new clock 1100s			27,627
new clock 1100s			27,627
new clock 1100s			46,621
unlabeled	226,695		236,693

## CONCLUSIONS AND FIBRE RELATIONS

Year	Population	Population	Population
1971	22,272	60,000	74,356
1981	29,100	74,356	
1991	34,100		
2001	39,100		
2011	44,100		
2021	49,100		
2031	54,100		
2041	59,100		
2051	64,100		
2061	69,100		
2071	74,100		
2081	79,100		
2091	84,100		
2101	89,100		

## 1.5 THE MAIL AND ADMINISTRATIVE

Country	Year	Value	Value
Turkey	1994	44,006	44,306
Col. 1990-1991		86,890	121,100
Peru 1991		74,609	76,833
Kenia	1991	11,350	31,385
India 1992-93		20,000	1,598
India 1994		127,735	127,735

## LEGAL AND ALUMINUM

[illegible]

## OTHER EXPENDITURES

[illegible]

## NET REVENUE (EXPENDITURES)

[illegible]



[illegible]









NAME (if deceased) TYPE OF CONTRIBUTION	WESTERN COUNCIL FUND 5/1/84 501(CJ2)	WESTERN COUNCIL FUND 11/1/85 501(CJ3)	CORNELL SCOTTICAL FUND 5/1/85 501(CJ1)	FEDERAL ELECTION FUND 5/1/85 501(CJ1)	STATE ELECTION FUND 6/24/86 PNC	FEDERAL ELECTION FUND 10/16/84 PNC	STATE ELECTION FUND 10/15/84 PNC	AFFILIATE CONTRIBUTIVE FUND 501(CJ12)	TOTAL \$
1985									
BROOKS, RALPH E. 1/1/53	2,148	199,116	199,116	6,616	0	3,816	19,796	199,116	32,314
RELIEF FUND	3,694,966			24,449	100	34,799	453,920		4,120,244
TOTAL	3,697,114			31,065	100	38,615	473,716		4,152,918
DISBURSEMENTS	2,449,862			29,756	74	37,494	472,040		2,982,186
BROOKS, RALPH E. 12/21/85	1,190,252			1,307	26	6,181	2,466		1,170,432
1986									
BROOKS, RALPH E. 1/1/86	1,190,252	206	522	1,307	26	6,181	2,466	0	1,171,160
RELIEF FUND	7,070,604	598,387	116,645	144,863	403,420	75,025	105,410	63,775	8,644,956
TOTAL RELIEF FUND	5,322							13,800	1,522
TOTAL	6,231,058	598,593	122,499	146,170	403,446	81,186	108,096	59,725	9,817,648
DISBURSEMENTS	7,460,449	525,550	97,480	145,746	291,156	74,726	106,641	0	9,029,894
BROOKS, RALPH E. 12/21/86	590,387	21,025	30,819	829	112,250	6,460	1,455	59,725	787,754

- (1) CARL CORNELL CORP. CONTRIBUTIONS -- WILL FUNDING AND OTHER CONTRIBUTION  
DATE 1/1/86.
- (2) CARL CORNELL CORP. CONTRIBUTIONS -- WILL FUNDING AND OTHER CONTRIBUTION  
DATE 1/1/86.
- (3) CARL CORNELL CORP. CONTRIBUTIONS -- WILL FUNDING AND OTHER CONTRIBUTION  
DATE 1/1/86.
- (4) CARL CORNELL CORP. CONTRIBUTIONS -- WILL FUNDING AND OTHER CONTRIBUTION  
DATE 1/1/86.

SOURCE: FUND STATEMENTS, FUNDING RECORDS, IDENTIFYING RECEIPTS  
AND DISBURSEMENTS.





WATER  
 1986  
 1986

WATER 11 J

PROJECTS  
 CONCRETE WALL  
 9.916  
 6.517  
 5.482  
 587.003  
 8.482  
 8.784  
 400  
 34  
 7.552  
 22.467  
 27.484  
 7.001  
 8.406  
 491  
 5.182  
 10.080  
 48.756  
 86.349  
 -----  
 \$ 859.853  
 (8,380)  
 -----  
 \$ 850.473  
 -----  
 7.969  
 -----  
 \$ 858.449  
 =====

Source: Analysis of 1986 Goshute project expenditures provided with  
 response letter 11.

[illegible]



WEEK: QUARTER: WEEK:  
FIRM: PROJECT: INVOICES FOR: NER: AND: SENTINEL

ANALYSIS 11 K

DATE	CIN #	INV. #	PROJECT NAME	DESCRIPTION	PROJECT	NER	SENTINEL
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: MARI: JACKSON, MS	2,480.00	2,480.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	2,320.00	2,320.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	2,390.00	2,390.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	28,775.00	28,775.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	4,525.00	4,525.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	700.00	700.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	2,030.00	2,030.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	8,300.00	8,300.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	1,410.00	1,410.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	890.00	890.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	7,095.00	7,095.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	8,525.00	8,525.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	2,480.00	2,480.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	5,970.00	5,970.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	6,590.00	6,590.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	300.00	300.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	6,575.00	6,575.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	2,720.00	2,720.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	8,525.00	8,525.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	3,740.00	3,740.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	2,060.00	2,060.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	2,225.00	2,225.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	890.00	890.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	24,150.00	24,150.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	2,745.00	2,745.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	5,970.00	5,970.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	12,100.00	12,100.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	900.00	900.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	2,320.00	2,320.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	8,920.00	8,920.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	6,100.00	6,100.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	5,525.00	5,525.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	10,625.00	10,625.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	2,495.00	2,495.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	1,740.00	1,740.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	3,410.00	3,410.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	8,105.00	8,105.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	5,760.00	5,760.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	1,410.00	1,410.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	21,100.00	21,100.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	2,100.00	2,100.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	4,060.00	4,060.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	2,425.00	2,425.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	2,750.00	2,750.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	2,770.00	2,770.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	960.00	960.00	
03/12/86		4435	FREEDOM FIGHTERS	NERIA BURT: WASH: COLUMBUS	1,250.00	1,250.00	

DATE	LINE #	INT. #	PROJECT NAME	DESCRIPTION	AMOUNT	NETL	SENTINEL
02/17/86	4404		FREEDOM FIGHTERS	NEOLA BRY: KJWH: TULSA, OK	1,740.00	1,740.00	
02/17/86	4405		FREEDOM FIGHTERS	NEOLA BRY: WJHC: WASH. DC	4,706.00	4,706.00	
02/17/86	4406		FREEDOM FIGHTERS	NEOLA BRY: WJHC: OKLAHOMA	1,450.00	1,450.00	
02/17/86	4407		FREEDOM FIGHTERS	NEOLA BRY: KJWH: TULSA, OK	2,050.00	2,050.00	
02/17/86	4408		FREEDOM FIGHTERS	NEOLA BRY: WJHC: WASH. DC	3,600.00	3,600.00	
02/17/86	4409		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	1,025.00	1,025.00	
02/17/86	4410		FREEDOM FIGHTERS	NEOLA BRY: WJHC: COLUMBIA, TN	1,450.00	1,450.00	
02/17/86	4411		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	1,900.00	1,900.00	
02/17/86	4412		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	258.00	258.00	
02/17/86	4413		FREEDOM FIGHTERS	NEOLA BRY: WJHC: OKLAHOMA	45.00	45.00	
02/17/86	4414		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	862.00	862.00	
02/17/86	4415		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	57.00	57.00	
02/17/86	4416		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	445.00	445.00	
02/17/86	4417		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	2,000.00	2,000.00	
02/17/86	4418		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	3,800.00	3,800.00	
02/17/86	4419		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	245.00	245.00	
02/17/86	4420		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	615.00	615.00	
02/17/86	4421		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	5.00	5.00	
02/17/86	4422		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	400.00	400.00	
02/17/86	4423		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	250.00	250.00	
02/17/86	4424		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	1,280.00	1,280.00	
02/17/86	4425		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	18,825.00	18,825.00	
02/17/86	4426		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	16,575.00	16,575.00	
02/17/86	4427		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	14,000.00	14,000.00	
02/17/86	4428		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	4,955.00	4,955.00	
02/17/86	4429		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	300.00	300.00	
02/17/86	4430		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	6,355.00	6,355.00	
02/17/86	4431		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	5,630.00	5,630.00	
02/17/86	4432		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	26,000.00	26,000.00	
02/17/86	4433		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	25,375.00	25,375.00	
02/17/86	4434		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	3,455.00	3,455.00	
02/17/86	4435		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	448.48	448.48	
02/17/86	4436		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	6,015.00	6,015.00	
02/17/86	4437		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	4,400.00	4,400.00	
02/17/86	4438		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	1,220.00	1,220.00	
02/17/86	4439		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	3,300.00	3,300.00	
02/17/86	4440		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	19,500.00	19,500.00	
02/17/86	4441		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	1,950.00	1,950.00	
02/17/86	4442		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	800.00	800.00	
02/17/86	4443		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	10,100.00	10,100.00	
02/17/86	4444		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	3,600.00	3,600.00	
02/17/86	4445		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	26,700.00	26,700.00	
02/17/86	4446		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	10,800.00	10,800.00	
02/17/86	4447		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	424.70	424.70	
02/17/86	4448		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	460.01	460.01	
02/17/86	4449		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	504.71	504.71	
02/17/86	4450		FREEDOM FIGHTERS	NEOLA BRY: WJHC: JACKSON, MS	2,259.67	2,259.67	

UNIT	USE	ITEM	PROJECT NAME	DESCRIPTION	PROFIT	NET	SPENTRAL
147,74/85	4495	USE 147,74/85	USE 147,74/85	DISTRICT 1104	789,54	789,54	
147,74/85	4496	USE 147,74/85	USE 147,74/85	DISTRICT 1104	851,02	851,02	
147,74/85	4497	USE 147,74/85	USE 147,74/85	DISTRICT 1104	547,57	547,57	
147,74/85	4498	USE 147,74/85	USE 147,74/85	DISTRICT 1104	8,19	8,19	
147,74/85	4499	USE 147,74/85	USE 147,74/85	DISTRICT 1104	52,10	52,10	
147,74/85	4500	USE 147,74/85	USE 147,74/85	DISTRICT 1104	6,000,00	6,000,00	
147,74/85	4501	USE 147,74/85	USE 147,74/85	DISTRICT 1104	1,416,23	1,416,23	
147,74/85	4502	USE 147,74/85	USE 147,74/85	DISTRICT 1104	26,81	26,81	
147,74/85	4503	USE 147,74/85	USE 147,74/85	DISTRICT 1104	32,00	32,00	
147,74/85	4504	USE 147,74/85	USE 147,74/85	DISTRICT 1104	431,16	431,16	
147,74/85	4505	USE 147,74/85	USE 147,74/85	DISTRICT 1104	775,00	775,00	
147,74/85	4506	USE 147,74/85	USE 147,74/85	DISTRICT 1104	7,500,00	7,500,00	
147,74/85	4507	USE 147,74/85	USE 147,74/85	DISTRICT 1104	166,43	166,43	
147,74/85	4508	USE 147,74/85	USE 147,74/85	DISTRICT 1104	36,75	36,75	
147,74/85	4509	USE 147,74/85	USE 147,74/85	DISTRICT 1104	26,81	26,81	
147,74/85	4510	USE 147,74/85	USE 147,74/85	DISTRICT 1104	50,40	50,40	
147,74/85	4511	USE 147,74/85	USE 147,74/85	DISTRICT 1104	604,59	604,59	
147,74/85	4512	USE 147,74/85	USE 147,74/85	DISTRICT 1104	309,45	309,45	
147,74/85	4513	USE 147,74/85	USE 147,74/85	DISTRICT 1104	8,18	8,18	
147,74/85	4514	USE 147,74/85	USE 147,74/85	DISTRICT 1104	81,67	81,67	
147,74/85	4515	USE 147,74/85	USE 147,74/85	DISTRICT 1104	400,00	400,00	
147,74/85	4516	USE 147,74/85	USE 147,74/85	DISTRICT 1104	34,23	34,23	
147,74/85	4517	USE 147,74/85	USE 147,74/85	DISTRICT 1104	531,80	531,80	
147,74/85	4518	USE 147,74/85	USE 147,74/85	DISTRICT 1104	6,500,00	6,500,00	
147,74/85	4519	USE 147,74/85	USE 147,74/85	DISTRICT 1104	300,00	300,00	
147,74/85	4520	USE 147,74/85	USE 147,74/85	DISTRICT 1104	5,000,00	5,000,00	
147,74/85	4521	USE 147,74/85	USE 147,74/85	DISTRICT 1104	30,25	30,25	
147,74/85	4522	USE 147,74/85	USE 147,74/85	DISTRICT 1104	1,280,00	1,280,00	
147,74/85	4523	USE 147,74/85	USE 147,74/85	DISTRICT 1104	2,000,00	2,000,00	
147,74/85	4524	USE 147,74/85	USE 147,74/85	DISTRICT 1104	1,000,00	1,000,00	
147,74/85	4525	USE 147,74/85	USE 147,74/85	DISTRICT 1104	2,500,00	2,500,00	
147,74/85	4526	USE 147,74/85	USE 147,74/85	DISTRICT 1104	1,900,00	1,900,00	
147,74/85	4527	USE 147,74/85	USE 147,74/85	DISTRICT 1104	7,500,00	7,500,00	
147,74/85	4528	USE 147,74/85	USE 147,74/85	DISTRICT 1104	351,20	351,20	
147,74/85	4529	USE 147,74/85	USE 147,74/85	DISTRICT 1104	416,10	416,10	
147,74/85	4530	USE 147,74/85	USE 147,74/85	DISTRICT 1104	2,500,00	2,500,00	
147,74/85	4531	USE 147,74/85	USE 147,74/85	DISTRICT 1104	2,150,00	2,150,00	
147,74/85	4532	USE 147,74/85	USE 147,74/85	DISTRICT 1104	1,000,00	1,000,00	
147,74/85	4533	USE 147,74/85	USE 147,74/85	DISTRICT 1104	3,000,00	3,000,00	
147,74/85	4534	USE 147,74/85	USE 147,74/85	DISTRICT 1104	18,000,00	18,000,00	
147,74/85	4535	USE 147,74/85	USE 147,74/85	DISTRICT 1104	837,84	837,84	
147,74/85	4536	USE 147,74/85	USE 147,74/85	DISTRICT 1104	6,000,00	6,000,00	
147,74/85	4537	USE 147,74/85	USE 147,74/85	DISTRICT 1104	63,05	63,05	
147,74/85	4538	USE 147,74/85	USE 147,74/85	DISTRICT 1104	520,20	520,20	
147,74/85	4539	USE 147,74/85	USE 147,74/85	DISTRICT 1104	76,02	76,02	
147,74/85	4540	USE 147,74/85	USE 147,74/85	DISTRICT 1104	313,85	313,85	
147,74/85	4541	USE 147,74/85	USE 147,74/85	DISTRICT 1104	8,19	8,19	
147,74/85	4542	USE 147,74/85	USE 147,74/85	DISTRICT 1104	6,000,00	6,000,00	

DATE	INVOICE #	PROJECT NAME	DESCRIPTION	AMOUNT	NET	STATUS
02/06/86	4376	TECHNIST: INFERENCE	DISTRIBUTION	228.25	228.25	
02/06/86	4377	TECHNIST: INFERENCE	DISTRIBUTION	63.06	63.06	
02/06/86	4378	TECHNIST: INFERENCE	DISTRIBUTION	520.21	520.21	
02/07/86	4406	TECHNIST: INFERENCE	DISTRIBUTION	96.02	96.02	
02/26/86	4419	TECHNIST: INFERENCE	PRODUC-TION	311.85	311.85	
04/24/86	4462	TECHNIST: INFERENCE	DISTRIBUTION	6.19	6.19	
04/24/86	4463	TECHNIST: INFERENCE	DISTRIBUTION	52.10	52.10	
05/01/86	4526	TECHNIST: INFERENCE	PRODUC-TION	725.00	725.00	
05/01/86	4529	TECHNIST: INFERENCE	PRODUC-TION	401.11	401.11	
05/24/86	4602	TECHNIST: INFERENCE	DISTRIBUTION	4,250.00	4,250.00	
05/27/86	4612	TECHNIST: INFERENCE	DISTRIBUTION	36.12	36.12	
05/27/86	4613	TECHNIST: INFERENCE	DISTRIBUTION	26.43	26.43	
05/27/86	4617	TECHNIST: INFERENCE	DISTRIBUTION	36.75	36.75	
06/26/86	4620	TECHNIST: INFERENCE	PRODUC-TION	309.45	309.45	
06/26/86	4662	TECHNIST: INFERENCE	DISTRIBUTION	6.18	6.18	
06/26/86	4663	TECHNIST: INFERENCE	DISTRIBUTION	398.70	398.70	
06/26/86	4664	TECHNIST: INFERENCE	PRODUC-TION	81.66	81.66	
06/26/86	4665	TECHNIST: INFERENCE	PRODUC-TION	9,860.00	9,860.00	
06/26/86	4666	TECHNIST: INFERENCE	DISTRIBUTION	513.40	513.40	
06/26/86	4667	TECHNIST: INFERENCE	PRODUC-TION	332.42	332.42	
06/26/86	4668	TECHNIST: INFERENCE	PRODUC-TION	35.90	35.90	
06/26/86	4669	TECHNIST: INFERENCE	DISTRIBUTION	5,000.00	5,000.00	
06/26/86	4670	TECHNIST: INFERENCE	DISTRIBUTION	960.00	960.00	
06/26/86	4671	TECHNIST: INFERENCE	DISTRIBUTION	16,800.00	16,800.00	
06/26/86	4672	TECHNIST: INFERENCE	DISTRIBUTION	25,150.00	25,150.00	
06/26/86	4673	TECHNIST: INFERENCE	DISTRIBUTION	307.05	307.05	
06/26/86	4674	TECHNIST: INFERENCE	DISTRIBUTION	96.00	96.00	
06/26/86	4675	TECHNIST: INFERENCE	DISTRIBUTION	408.55	408.55	
06/26/86	4676	TECHNIST: INFERENCE	DISTRIBUTION	12,000.00	12,000.00	
06/26/86	4677	TECHNIST: INFERENCE	DISTRIBUTION	112,800.00	112,800.00	
06/26/86	4678	TECHNIST: INFERENCE	DISTRIBUTION	12,800.00	12,800.00	
06/26/86	4679	TECHNIST: INFERENCE	DISTRIBUTION	27,150.00	27,150.00	
06/26/86	4680	TECHNIST: INFERENCE	DISTRIBUTION	240.00	240.00	
06/26/86	4681	TECHNIST: INFERENCE	DISTRIBUTION	408.55	408.55	
06/26/86	4682	TECHNIST: INFERENCE	DISTRIBUTION	9,300.00	9,300.00	
06/26/86	4683	TECHNIST: INFERENCE	DISTRIBUTION	30,000.00	30,000.00	
06/26/86	4684	TECHNIST: INFERENCE	DISTRIBUTION	6,500.00	6,500.00	
06/26/86	4685	TECHNIST: INFERENCE	DISTRIBUTION	1,235.00	1,235.00	
06/26/86	4686	TECHNIST: INFERENCE	DISTRIBUTION	1,722.50	1,722.50	
06/26/86	4687	TECHNIST: INFERENCE	DISTRIBUTION	1,680.00	1,680.00	
06/26/86	4688	TECHNIST: INFERENCE	DISTRIBUTION	1,658.75	1,658.75	
06/26/86	4689	TECHNIST: INFERENCE	DISTRIBUTION	124,097.50	124,097.50	
06/26/86	4690	TECHNIST: INFERENCE	DISTRIBUTION	136,000	136,000	
06/26/86	4691	TECHNIST: INFERENCE	DISTRIBUTION	18,500	18,500	

Summary: Analysis of two women project invoices provided with necessary material.

960,113.81 830,074.99 130,038.82



Source: Analysis of 1986 program project invoices provided with subpoena material.



COUNTER	ANNUAL		OFFICE	
	SHEETS		SHEETS	
ANNUAL SHEETS	\$ 20,000		\$ 28,500	
OFFICE SHEETS	120,000		181,022	
OFFICE SHEETS	84,000		63,000 OFFICE	
			18,500 OFFICE	
			28,675 COMMISSION	
ANNUAL SHEETS	17,880		11,407	
OFFICE SHEETS	20,000		17,880	
ANNUAL SHEETS	20,000		22,500	
ANNUAL SHEETS	42,000		17,500	
ANNUAL SHEETS	20,000		11,837	
ANNUAL SHEETS	21,000		11,031	
ANNUAL SHEETS	N/A		-0-	
ANNUAL SHEETS	29,800		36,300	
ANNUAL SHEETS	18,000		7,200	
ANNUAL SHEETS	8,000		1,197	
ANNUAL SHEETS	28,000		7,786	
ANNUAL SHEETS	48,000		29,582	
TOTAL OFFICE			\$ 465,217	
TOTAL OFFICE			16,987	
ANNUAL SHEETS			54,127	
TOTAL SHEETS			\$ 536,291	
			ANNUAL SHEETS	

Source: Analysis of 1986 Payroll provided with Supporting Material.



*M&F*  
 Miner and Fraser Public Affairs, Inc.

*Charnell C.P. 3*

March 4, 1985

Mr. Oliver North  
 National Security Council  
 Room 392  
 Old Executive Office Building  
 Washington, D. C. 20506

Dear Ollie:

We were asked to get this over. We have 80% confirmations. Everyone is incredibly supportive, given the importance of this to the President.

Sincerely,

*Edie*  
 Edie Fraser

EF/kv

Attachment:

Ollie  
 Very Imp.  
 Two people want to  
 give major contri-  
 ie 300,000 and up if  
 they might have one  
 "quiet" minute with  
 the President  
 ref. [unclear]

Chris Hittleside  
~~Chris~~ Chansell P. 4

Barnes - WANTS Indict Ollie  
 Watergate babies - WANT TO GET AT THE PRES  
 through Ollie  
 WANT Another Watergate

Look  
 BAARNES  
 UP IN  
 A MIND  
 OF AMER  
 Politics

Put Barnes out of Politics  
 IF we get rid of Barnes we get rid of the  
 ring leader and rid of the problem.

Special PAC to do only 1 thing only  
 TO AID Congress of Congressmen that  
 are trying to undermine President in his  
 anti-terrorist Policies

Barnes trying to Indict Ollie - WANTS  
 to get at RR - Trying to use RR  
 to elevate his Senate Campaign -  
 IF we can beat him he's out of  
 Congress.

Giddens Re

A 0037851

CIA, Nic, Embassy Security,

Destroy Barnes - use him as abject lesson  
 to others  
 - RR warned on his return -

UNCLASSIFIED

UNCLASSIFIED

SELECT COMMITTEE TO INVESTIGATE COVERT

ARMS TRANSACTIONS WITH IRAN

U.S. HOUSE OF REPRESENTATIVES

and

SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE

TO IRAN AND THE NICARAGUAN OPPOSITION

UNITED STATES SENATE

Redstone Arsenal, Alabama  
Monday, August 10, 1981.

The deposition of JOHN RANDOLPH CHAPMAN and BILLY RAY REYER, called for examination in the above-entitled matter, pursuant to notice, in the office of the Staff Judge Advocate, room G15, building 111, Redstone Arsenal, Alabama, convened at 3:07 p.m., when were present on behalf of the parties:

COPY NO. 1A OF 1 COPIES

Partially Declassified/Released on 5 JAN 88  
under provisions of E.O. 12356  
by K. Johnson, National Security Council

UNCLASSIFIED

4135-

**UNCLASSIFIED**

## APPEARANCES:

On Behalf of the Select Committee on Secret Military  
Assistance to Iran and Nicaraguan Opposition of  
the United States Senate:

JOHN SAXON, ESQUIRE  
Associate Counsel  
901 Hart Senate Office Building  
Washington, D.C. 20510

On Behalf of the Department of the Army:

COLONEL JOHN K. WALLACE III  
Chief, Investigations and Legislative Division Office  
Chief of Legislative Liaison  
Office of the Secretary of the Army  
HQDA (SALL-IL)  
Washington, D.C. 20310-1600

Court Reporter:

Diane S. Mohlere  
U.S. Army Missile Command  
Attn: AMSMI-JA  
Redstone Arsenal, AL 35898-5120

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CONTENTS

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## WITNESSES

## EXAMINATION

JOHN RANDOLPH CHAPMAN

BILLY RAY REYER

By Mr. Saxon

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## EXHIBITS

## NUMBER

Exhibit 1

Exhibit 2

**UNCLASSIFIED**

UNCLASSIFIED  
P R O C E E D I N G S

Whereupon,

JOHN RANDOLPH CHAPMAN and BILLY RAY REYER were called for examination by counsel for the Senate Select Committee, and having been first duly sworn by Colonel John K. Wallace III, were examined and testified as follows:

EXAMINATION

BY MR. SAXON:

Q If you would, Mr. Chapman, state your full name for the record, please, sir.

A John Randolph Chapman.

Q And your position?

A I'm the branch chief for the Medium Low Altitude Air Defense Systems within the Materiel Management Directorate.

Q And is the HAWK system one of those systems over which you have supervisory authority?

A Yes, it is.

Q And was it at the time of what we know now as Project Crocus, dealing with the provision of HAWK repair parts by the Department of the Army, ultimately to, as we now know, the CIA and Iran?

A Yes.

Q And, Mr. Reyer, would you state your full name for the record, please, sir?

A Billy Ray Reyer.

Q Spell your last name, please, sir.

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A R-e-y-e-r.

Q Now, what is your position?

A Chief of the HAWK Repair Parts Section.

Q And were you in that position at the time of Project Crocus?

A Yes.

Q And to whom do you report?

A Mr. Chapman.

Q And did you report to Mr. Chapman at the time of your involvement with Project Crocus?

A Yes.

Q Let me say for the record for subsequent readers of this deposition that today I have spent time with Mr. Chapman and Mr. Reyer individually, and we've covered a good many matters. We ~~have~~ found it necessary to, on the record, to have a few things clarified in sworn testimony, primarily with regard to the issue of readiness as regards to the provision of HAWK ground equipment repair parts to the CIA and Project Crocus. Let me ask you, Mr. Reyer, briefly I will describe the process as I understand it, and you tell me if this is correct recapitulation of what you told me this morning. As the requirement for the repair parts were passed down from Department of Army, Office of the Deputy Chief of Staff of Logistics, I believe that was directly from Major Simpson, is that correct?

A Yes.

Q That'd be Major Christopher Simpson, the Army Action Officer. The request was for approximately 234 line items, is that correct?

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A Right.

Q And that request came in sometime in the early part of April. You got it on one day, and then people here more or less around the clock began to take a look at the availability of these items, where they were located, what quantities you had, if there was any readiness impact; and a document was prepared and datafaxed back to Major Simpson that same evening or early the next morning, is that correct?

A It was datafaxed back to Art Diamond at AMC.

Q The Army Materiel Command. And at the time you faxed that back, am I correct in saying that a tentative determination was made as to the potential impact on readiness if these items were provided?

A Yes.

Q Were there some items that you would have preferred not to ship due to the readiness impact?

A One in particular that was discussed, and that is [REDACTED]

Q All right. We'll come to [REDACTED] a little later, but at that first look at availability, when you first made the readiness determination, if I recall your statement to me this morning, there were approximately 47 items that were identified as having the potential for some readiness impact, is that correct?

A Yes. Impact is if they would be shipped tomorrow.

Q In the quantities requested.

A Yes.

Q And, as I understand it--and, again, correct me; I'm doing

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1 it this way in the interest of time, but, as I understand it, as you  
2 talked through these items, you and Mr. Chapman and perhaps others,  
3 you would indicate, "Well, we would prefer not to provide that quantity.  
4 Could we provide a lesser quantity?" and so forth, so just through  
5 reducing quantities, that number, 47, was reduced down some, is that  
6 correct?

7 MR. CHAPMAN: Insofar as what the impact would be, yes.

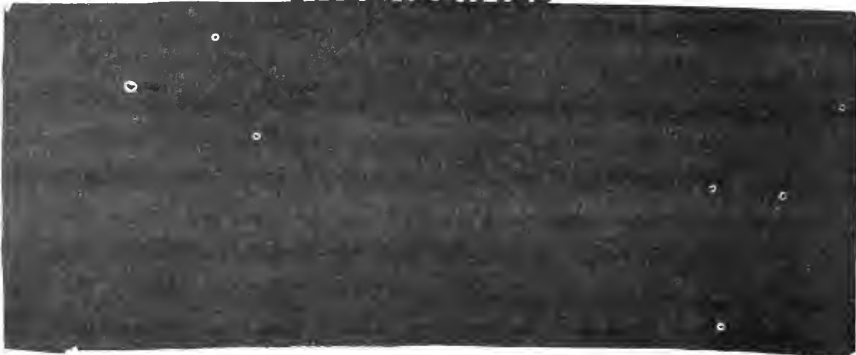
8 Q. Okay, and I assume that as you further refined the look at  
9 where these were located and whether some could be repaired, and so  
10 forth, the numbers came down further from what they had first--readiness:  
11 impact could be, is that correct?

12 MR. REYER: I don't recall a complete analysis of impacts after  
13 the initial review was made.

14 MR. CHAPMAN: The same number of items were still involved. We  
15 didn't ever reduce those 46 items down to 5, as an example. We still  
16 shipped some quantity of those same 46 items.

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10 Q Okay. Let's go through it, then, in whatever way the facts  
11 support because that's all we're really interested in. Let me ask  
12 either of you or both of you for your best judgment of the total number  
13 that you actually did supply that would have had what you would have  
14 classified as some readiness impact, after all the back and forth  
15 and changes in quantity and the like, and whatever way you would  
16 characterize it, what number, ballparking, would have had some  
17 readiness impact or at least the potential existed at that time?


18 MR. REYER: Potential impact, one item.


19 Q All right, and that one item would be what? 

20   
21 A 

22 Q And what is the 

23 A 

24 Q And that is  for the HAWK system?

25 A  for the HAWK system.

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Q And if I'm referring to this document, which--all of which I will make Exhibit 1, that would be on page 2, your control item number [REDACTED] is that correct?

A Yes.

Q And this is an item that the requested quantity--and I'll use the ultimate customer--from the Iranians was [REDACTED] is that correct?

A Correct.

Q And the quantity that you determined we actually had on hand was how many?

A [REDACTED]

Q And how many do your records show we actually provided?

A [REDACTED]

Q So, we did ship all that was requested?

A [indicating yes]

Q Now, let me ask you a little bit about this item. As I understand it, it is [REDACTED] that goes into [REDACTED] [REDACTED] is that correct?

A Yes.

Q And is it what you refer to as a mandatory stockage item? It's an item that all using units must keep on hand?

A Yes, it is.

Q And why is that?

MR. CHAPMAN: I guess to state it very simply, that is an item that, should it fail in that [REDACTED]

Q In the existing system that they have?

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A. In the existing system--that that [REDACTED] then becomes nonfunctional.

Q It would deadline the system?

A It would deadline the system, yes.

Q Which is the language that is often used, which means, to a layman like myself, the system would not work.

A That's correct.

Q [REDACTED]

[REDACTED] What's the--what would a unit do if they were in a situation where they needed a replacement and one was not in stock?

MR. REYER: The item would depend on the Varian Corporation for both new procurement--

Q Spell the name of the vendor, if you would.

A V-a-r-i-a-n. California. We depend on them for new procurement and for repair of unserviceable assets, and based on their delivery schedules, the ability that they have to produce, then we would have problems.

Q And this is an item that units have to carry on their PLL, or prescribed load list, is that correct?

A I'm not sure that it's under PLL or the ASL.

Q What is ASL, for the record?

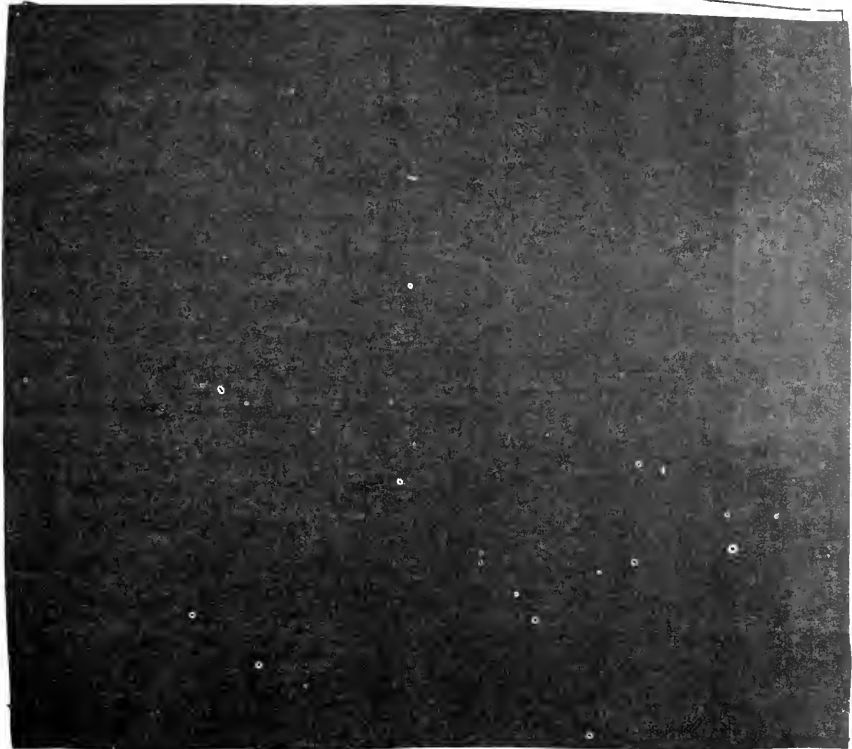
A Authorized stockage list.

[REDACTED]

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20 A [redacted] We--based on the requirements and assets schedule, .  
21 delivery schedule that we have today, we estimate that that item  
22 will be [redacted]  
23 [redacted]  
24 [redacted]  
25 [redacted]

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[The proceeding went off the record from 3:20 p.m. to 3:35 p.m.]

Q While we're on this topic, let me ask both of you if, in your best judgment, there were other items actually provided other than [REDACTED] for which, at the time, you identified a significant or some potential impact on readiness? and let me put it to you this way. After meeting the requirement and transferring these parts, were you left in a state of feeling uncomfortable about

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the inventory levels with regard to some of the parts that you had provided? whoever wants to answer that.

MR. CHAPMAN: If you look at the list that you've entered into the records for Exhibit A and look at the items on there in the impact column where it says "yes," which says, "This is a potential impact if we ship these assets," in my opinion, I would say of those that says "yes,"--

Q And that was initially about 47, right?

A This was initially about 47. With the exception of knowing that [REDACTED] for sure was in that category [REDACTED]

[REDACTED] the other items I would say I personally would feel uncomfortable about the ones to where they asked for a quantity and we provided the entire quantity [REDACTED]

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2 [REDACTED]  
3 [REDACTED]  
4 Q Now, for the quantities that you actually shipped, this  
5 gets us to what I believe will be Exhibit 2, which I'll mark in a  
6 moment. This is a datafax document, I believe, that came from  
7 Headquarters, Department of the Army, in Washington, from the office  
8 of the Deputy Chief of Staff for Logistics to Headquarters, MICOM,  
9 is that correct?

10 A Yes.

11 Q And who sent this document to you? Was that Major Simpson?

12 A Major Simpson.

13 Q And it's dated 23 April '86, and as I understand the way  
14 you described this document, it is the final list of here are the  
15 items which you will provide, is that--

16 A That is correct.

17 Q And so, if we looked at this list and went down it where  
18 the quantities are listed of what was requested; for example, with  
19 regard to item [REDACTED] they requested [REDACTED] that's  
20 what you would have provided.  
21 [REDACTED]  
22 [REDACTED]

23 A That is true, yes.

24 Q Is there anything else that we need to know on the record  
25 about Exhibit 2?

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A No.

MR. CHAPMAN: No.

Q All right, gentlemen. Let me ask you a couple of quick questions about what transpired between your level here at Redstone and the Department of Army Logistics office and whether that specific conversations with Major Simpson by either of you or someone else. That's what I want to get at. When you reached the point where you determined that some items were going to create a potential readiness problem, was that issue flagged and discussed with people at Headquarters DA?

MR. CHAPMAN: I had a conversation with Major Simpson about that after he had received our list and had reviewed it, and he saw where we'd indicated there was an impact, expressed a concern about some of these items, and at that time he said he would take that up, and he used the word "with the leadership" in DA, his superiors. Exactly what they discussed and what the results of that, he never really conveyed to me other than the fact that he said the decision has been that "We want these items in these quantities. Can you provide them?"

Q And your answer, I guess, was yes.

A Yes.

Q And what resulted from that was what we just saw as Exhibit 2.

A That's correct.

Q Was there a point at which anybody specifically cited

and said, "It is of sufficient criticality and the

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numbers are such that although you asked for [REDACTED]  
and if we provide [REDACTED] it's going to create something of a problem  
Did anybody break that item out and discuss it specifically with  
Major Simpson?

MR. REYER: That item was discussed and the supply position of  
it right from the beginning.

Q By whom and with whom?

A Myself and Major Simpson and Mr. Chapman and Major Simpson.

Q And was there any response he gave in that discussion  
different from what Mr. Chapman has just described?

A No.

Q At any point, did he indicate that he had taken the issue--  
let's talk now about [REDACTED]--up with his superiors or with  
the customer and that he had made the arguments about readiness and  
had in fact been overruled? Did he ever communicate anything like  
that back to you?

MR. CHAPMAN: I don't recall any from that standpoint. A lot  
of the discussion we had with him was dealing with the quantity  
that they had requested, and he seemed to be concerned with the  
fact [REDACTED] that they wanted because  
we had talked, "Well, what is the time frame that you want these?  
because we have some unserviceable assets that we could repair that  
we could possibly make available, but the lead time associated with  
repairing it is 'x' months, and can you wait?" That type of discussion  
went on.

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MR. REYER: As John stated, you know, he stated he would take it up with the leadership, and once he would come back to us then and say, "Okay, we'll go with this quantity," then we assumed that he had the approval to go with the quantity that we agreed on.

Q Did--since your superior, Mr. Reyer, is Mr. Chapman, let me ask you, Mr. Chapman. Did you ever raise the specific issue with anyone who was in a supervisory position to you about either some of these items, in general, in terms of readiness or, specifically, [REDACTED]

MR. CHAPMAN: Well, my immediate supervisor, who's the division chief, Mr. Jim King, was--we kept him--I kept him abreast of what all was going on and explained to him every time we had a conversation with Major Simpson; I would keep him up to speed on what was going on, and he and I discussed these issues.

Q So, is it fair to say from that general answer that he knew about the problem with [REDACTED]?

A Yes.

Q To your knowledge, did he ever raise that with his superior?

A Whether or not he discussed that specific item, I can't say. I know the entire issue was discussed.

Q And who was Mr. King's superior?

A Mr. Finafrock.

Q And Mr. Finafrock reported to General Burbules, or was there another level?

A There's another--of course, Mr. Finafrock is the Deputy

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Director for Materiel Management, and Lieutenant Colonel promotable  
2 Jim Link is the Director.

3 Q Spell Link.

4 A L-i-n-k. And the two of them report to Mr. Isom, who is  
5 the Director for the Missile Log Center SES.

6 Q And Mr. Isom reports to General Burbules?

7 A To General Burbules.

8 Q Let me ask it this way. To your knowledge, was General  
9 Burbules, as the Army Missile Command commander, ever made aware  
10 of any potential readiness problem with regard to meeting this  
11 requirement on the HAWK repair parts, either in general or specifically  
12 [REDACTED]?

13 A I don't think so. Well, first, we're saying General Burbules  
14 General Reese had already replaced General Burbules.

15 Q By the time--

16 A That's true.

17 Q Thanks for that correction.

18 MR. REYER: We--to my knowledge, we had no discussions or anything  
19 with General Reese until the billing issue was raised.

20 Q Spell Reese for us, please.

21 A R-double e-s-e.

22 MR. CHAPMAN: I guess the only thing that General Reese really  
23 knew about it was kind of like in a summary type deal where, "There's  
24 this special project going on, and the people in materiel management  
25 are doing this," and, you know, just a short note to let him know

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something's going--no details.

2 MR. REYER: We had what we call MLC update.

3 Q What is MLC?

4 A Missile Logistics Center. And the different directors  
5 report to the CG on issues that they considered important.

6 Q CG's commanding general?

7 A Commanding general. During this exercise, I prepared a  
8 update to the Logistics Center, stating that 139 items had been  
9 assembled at Red River Depot on directions from DA, and then when  
10 we received instructions or directions from DA to ship the items,  
11 I again prepared an update stating that we had received instructions  
12 to ship the materiel to another destination.

13 Q And is it safe to say that at all times as you were going  
14 through this process, you clearly understood you were in an executing  
15 mode and were being tasked or had requirements imposed on you by  
16 the Department of the Army over which you had no discretion? Is  
17 that a safe statement?

18 A Yes, that is correct.

19 MR. CHAPMAN: Yes.

20 Q At any time, did you know these HAWK repair parts were going  
21 to the CIA, Mr. Chapman?

22 MR. CHAPMAN: No.

23 Q Mr. Reyer?

24 MR. REYER: No.

25 Q Either of you know they were going to Iran?

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1 MR. CHAPMAN: No.

2 MR. REYER: No.

3 Q In terms of the HAWK repair parts requirement, which we know  
4 as Project Crocus, you have been interviewed, I believe, by investigators  
5 from the Department of the Army Inspector General and from the  
6 General Accounting Office, is that correct?

7 MR. CHAPMAN: That's correct.

8 Q At any time, have you been asked specifically about the  
9 readiness impact in providing these repair parts?

10 MR. CHAPMAN: I'd say yeah. There was some discussion about the  
11 items and whether or not there was an impact or not. We didn't--they  
12 didn't ask as many detailed or probing questions as we've had today,  
13 but there was some question about it.

14 Q Would that be from the DA IG?

15 A Yes.

16 Q What about the GAO?

17 A GAO's inquiries were dealing mainly with the pricing of  
18 the items and the quantities of the items.

19 Q In terms of the billing that took place, I think it's a  
20 fair statement from the informal interviews that I had with each  
21 of you this morning and from the worksheet or summary that you  
22 prepared for us in the interim that there were some glitches, I  
23 think is the word that was used this morning, in the billing and  
24 that the monies were actually received some time later than you  
25 might have otherwise hoped. Is that a fair statement?

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MR. REYER: Yes. There was some problems in the billing.

Q All right. Now, let me ask for the record if, in your judgment, either of you, there was any undesirable or negative impact on your capability to do your job from having been deprived of a few dollars being in the proper account at an earlier date than was actually provided.

MR. REYER: In my opinion, it did not delay any procurements as the results of funding shortage.

Q Finally, ask each of you separately--let's start with you, Mr. Chapman--at any point in mid- to late-1985, were you ever asked to provide any information about sending HAWK missile systems, missiles and launchers, specifically to Iran?

MR. CHAPMAN: No. I had no knowledge of any such action until it was mentioned this morning in our discussions.

Q What about you, Mr. Reyer?

MR. REYER: No, I had no contact pertaining to this. I also discussed this with the managers of the missiles and the launchers after I returned to the office today, and they said they had no-- there was no contact with them concerning this.

Q For the record, I want to walk through the question in several ways. The first was with regard specifically to Iran. Second, were you asked, either of you, in mid- to late '85 about the provision of a quantity of either 500 HAWKS or 120 HAWKS to Israel? Mr. Chapman?

MR. CHAPMAN: No.

Q Mr. Reyer?

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MR. REYER: No.

Q Were you asked at any point about the availability of HAWKS in November of '85 for any customer, perhaps unidentified?

MR. CHAPMAN: No.

Q Mr. Reyer?

MR. REYER: No. The question--did--we have received some information beginning of the hearings about Israel.

MR. CHAPMAN: But he's talking about in November of '85.

MR. REYER: I'm sorry. November of '85? No.

Q Recent inquiries, yes; I'm sure there probably have been some, as we now know what took place in 1985, so it's fair to say as far as the two of you know, there were no inquiries made of the Missile Command about HAWKS in that time frame that would in any way connect with Iran or Israel.

MR. REYER: Correct.

Q Gentlemen, is there anything else that I've not covered that you think we need to cover and get on the record?

MR. REYER: No.

MR. CHAPMAN: Not to my knowledge.

MR. SAXON: Let me say on behalf, specifically, the Senate and, I think, the House that both of you have been very patient. You've taken up most of your day with my questions, and we appreciate very much your testimony, your candor. It's been very helpful to the committees as we do our job. Thank you.  
[Whereupon, at 3:52 p.m., August 10, 1987, the taking of the deposition was concluded.]

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INITIAL HEADER SHEET

COMMAND	OFFICE SYMBOL	TELEPHONE NUMBER	AUTHORIZED RECIPIENT SIGNATURE	
FROM: HQ DA WASH, DC	DAIO-SMS- LA	AV227- 8487	<i>[Signature]</i>	
TO: HQs MICOM Redstone AFS, AL	AMSMI- LC-MM- A	DATE-TIME 23-1300	MONTH APR	YEAR 86
CLASSIFICATION UNCLAS	PAGES 6	PRECEDENCE Immed	RECEIVED AT THE	

## REMARKS:

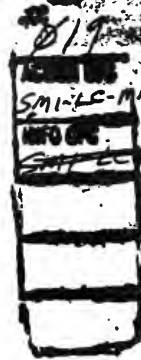
CONTACT MR JOHN Chapman / B71 Bayreut 744  
 RANK NAME AV 227-5980  
 TELEPHONE NUMBER  
 UPON RECEIPT OF THIS FACSIMILE MESSAGE FOR PICKUP, ADDRESSEE  
 REQUESTED TO ACKNOWLEDGE RECEIPT TO ORIGINATOR AT TELEPHONE NUMBER ABOVE

Declassified/Released on 11 FEB 88  
 under provisions of E.O. 12356  
 by K. Johnson, National Security Council

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COMM. CENTER**UNCLASSIFIED**

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SOS - AMC

NO DATE

REP	NOMENCLATURE	NSN	QTY	PRICE	
9					BK4
10					BK4
11					BK4
12	ELECTRONIC COMPONENT	1430004812779		3,785.00	BK4
13					BK4
14	CONTROL POWER SUPPLY	1430004804461		3,720.00	BK4
15	CIRCUIT CARD ASSY	143001A082496		434.00	BK4
16	AMP, ELEC, TRIPPLE	1430004916943		7,782.00	BK4
17	SPRING, SPIRAL	5360009373080		70.00	BK4
18					BK4
22					BK4
24					BK4
25	SIMULATOR, CONTROL	1430001558288		20,158.00	BK4
27	AMP, INTERMEDIATE	1430008750838		5,106.00	BK4
29					BK4
30					BK4
31	CIRCUIT CARD ASSY	1430004805642		2,002.00	BK4
32	FAN CENTRIFUGAL	4140008759846		282.00	AN5
33	FAN, CIRCULATING	4140004634276		242.00	AN5
35	TRANSFORMER ASSY	6120004812766		1,287.00	BK4
37					BK4
38					AQ5
39	TANK SECTION, FLUID	1430002287848		3,414.00	AN5
45	FILTER, FLUID	1430000205562		2,443.00	AQ5
48	SWITCH, DELAY LINE	1430009206734		84.78	AN5
49	CONTROL PRQE	1430009334162		3,031.00	BK4
50	AMPLIFIER DOPPLER	1430010367228		6,175.00	BK4
51	SIMULATOR, STATION	1430004848559		215.00	BK4

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53	[REDACTED]			
55	[REDACTED]			
56	[REDACTED]			
63	CABLE ASSY, POWER	1430000192970	462.00	BR4
64	[REDACTED]			AN5
65	HOSE ASSY, NONMETAL	4720000118511	82.76	AN5
76	[REDACTED]			BR4
78	POWER SUPPLY	1430010789648	5,189.00	BR4
79	[REDACTED]			BR4 9c
80	CIRCUIT CARD ASSY	1430004916951	6,870.00	BR4
81	CIRCUIT CARD ASSY	1430009004422	375.00	BR4
82	CIRCUIT CARD ASSY	1430004082496	434.00	BR4
83	CIRCUIT CARD ASSY	1430004916960	585.00	BR4
84	FILTER BANDPASS	5915004913475	166.00	AQ5
85	WASHER KIT	6720010182144	1.46	BL6
86	ELECTRONIC COMPONENT	1430007345346	559.00	AQ5/BR4
89	[REDACTED]			BR4
90	CIRCUIT CARD ASSY	1430004511092	205.00	AN5
91	CONTROL, RANGE, ANT	1430009798827	5,233.00	BR4
92	[REDACTED]			BR4
93	[REDACTED]			BR4
94	CIRCUIT CARD ASSY	1430004916886	48.00	AN5
95	[REDACTED]			BR4
96	[REDACTED]			AN5
97	CIRCUIT CARD ASSY	1430004916889	68.31	AN5
99	CIRCUIT CARD ASSY	1430002303654	52.62	BR4
100	CIRCUIT CARD ASSY	1430002303653	51.21	AN5
101	CIRCUIT CARD ASSY	1430002303652	71.45	AN5
102	INDICATOR ASSY	1430009747846	1,448.00	BR4/BR4
103	AMP I.F.	1430005031852	1,513.00	BR4

2 INNOVATION

104 DELAY LINE 5840006793939  
 105 ELECTRONIC COMPONENT 1430010212423  
 106 ELECTRO MECHANICAL 1430000271984  
 108 AMP ELECTRO CONTROL 1430007881198  
 109 CAVITY TUNE 1430007882949  
 110 DRIVE ASSY 1430005606963  
 111 CONTROL OSC 1430007890834  
 112 PARTS KIT 1430010679012  
 113 SEAL WAVE GUIDE 5985010255013

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129 PLUG DISCONNECT 1430000564721

130 SEAL RING 1430000564772

132

134 WIRING HARNESS 1430009253837

137 REPAIR KIT, PUMP 1430000100355

140 SWITCH ASSY 1430009105332

143

145

146 ELECTRONIC COMPONENT 1430004072744

150 CIRCUIT CARD ASSY 1440000011267

151

152

154 STALO OCILLATOR 5955007882955

155

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500.00

1,722.00

1,174.00

1,081.00

3,366.00

772.00

526.00

437.00

205.00

14.82

2.05

116.00

565.00

383.00

1,376.00

163.00

8,302.00

AN5/BK4

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157	CIRCUIT CARD ASSY	1430004035777	134.00	AN5
159	CIRCUIT CARD ASSY	1430004035787	310.00	AN5
160	CIRCUIT CARD ASSY	1430004038178	232.00	AN5
161	PUMP VALVE	1430009105323	408.00	AN5
162				BK4
164				AN5
165	RING PISTON	1440006468341	393.00	AQ5
166				AN5
167				AQ5
168	AMP ELE CONTROL	1440010721063	1,407.00	AN5
171	SYNCHRO, CONTROL	5990009222449	91.04	AQ5
172				BK4
173				AN5
174	VALVE FLOW REG.	4820007903387	320.00	BK4
175	COLLER ASSY, HYD	1440011650193	3,450.00	AN5
176	COLLER ASSY, HYD	1440007457645	3,450.00	AN5
177	VALVE REG PRESSURE	4820006771192	845.00	BK4
178	CONTROL UNIT, TEMP	1440004812805	340.00	BR4
179	VALVE HYDRAULIC	4820008863047	866.00	BK4
180	VALVE SOLENOID	4810008863044	1,373.00	AN5
181	PUMP PISTON	4320001769995	4,984.00	AN5
183				BK4
184				AN5

4 UNCLASSIFIED

808 - AMC

REF	NOMENCLATURE	NSN	QTY	PRICE	LOC
189	STUD RETAINING	1440003160179		2.85	AN5
316 190	BATTERY NONRECHARGE	6135002744035		2.77	BL6
192	[REDACTED]				BK4
193	TRANSDUCTER ASSY	6625007775183		1,480.00	BK4
195	[REDACTED]				AQ5
198	OSCILLATOR	5955007861173		6,375.00	BK4
199	[REDACTED]				AN5/BK4
201	CIRCUIT CARD ASSY	1430004916917		132.09	BK4
202	CIRCUIT CARD ASSY	1430004097991		414.00	BK4
203	CIRCUIT CARD ASSY	1430004072692		495.00	BK4
204	TEST SET, RADAR	4935004084749		14,265.24	BK4
205	[REDACTED]				BK4
206	CONVERTOR FREQ	1430002562995		29,228.00	BK4
207	WAVE GUIDE ASSY	1430007295599		62.60	BK4
208	CAVITY, TUNED	1430004076954		1,685.00	AN5
209	[REDACTED]				AN5
210	WIRING HARNESS	5995010530898		520.00	BR4
211	SEMI CONDUCTOR DEVICE	5961010223623		8.99	AN5
212	SEMI CONDUCTOR DEVICE	5961010223623		8.99	AN5
213	SEMI CONDUCTOR DEVICE	5961010229294		7.10	BK4
214	CRYSTAL MIXER	5985004939151		258.00	AN5
215	FILTER SIDE BAND	1430002562989		7,232.00	AN5
217	CABLE	1430008265721		97.22	BK4
220	DETECTOR CRYSTAL	1430004082528		1,290.00	AQ5
222	WAVE GUIDE ASSY	5985004140757		117.00	AN5
223	DETECTOR CRYSTAL	1430004082489		73.97	AQ5
225	RADIATOR	2930003220600		409.45	AN5
516 223	RADOME ANTENNA	5985001660223		2,856.00	BY6

5

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✓ 235 ANTENNA FEDESTAL

5985001660222

8,983.00 BY6

✓ 236 POWER SUPPLY

1430004321352

2,011.00 AM5

✓ 237 CIRCUIT CARD ASSY

1430004332273

71.72 AM5

✓ 238 CIRCUIT CARD ASSY

1430010048206

882.00 AQ5

✓ 239 AMP

1430003483191

540.00

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140

6

UNCLASSIFIED

5/27

②  $\frac{139 \text{ microm}}{1 \text{ fem}}$  (100 microm = 1 fem)

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Q. NAME REQUIRED QUANTITY LOCATION REPT. IMPACT

204528 2456 Circuit Card

ANS  
B24

434.00

NO

4240497643 TRIM AND  
ELECT. EQUIP.

B24  
B24

7982.00

NO

204528 2456 SCREW 5/16" X 1/2"

ANS  
B24

70.00

NO

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(2)

yes

yes

yes

UNCLASSIFIED

NSN	NAME	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL. COST	IMPACT
4200155-2278	Simulation Control			A45 B44	20,154.00	No
4200173-0238	I <sup>F</sup> Alarm Receiver			B44	5106.00	No
4200170-5662	Car Cmd Assy			A45 B45 B44	2002.00	No
4200175-9846	F74 C-27410341			A45 B44	282.00	No

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NSN	NAME	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
1430 00 920 6234	Switch Delay Lines			ANS	84.78	70
1430 00 923 4462	Signal Frequency			ANS	303.10	70
				BK4		
1430 00 125 6221	Amplifier Detector			BK4	6175.00	70
1430 01 026 7228						
1430 00 404 6323	Simulator Grade Standard			BK4 BE4	9,815.00	70

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6

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82 694 735

1. (6)

NO	NO	REQUIRED QTY	QUANTITY ON HAND	LOCATION	ESTL COST	IMPACT
4100 015 2770	Cable Assy, Power			A45 BRY	462.00	No
4100 028 7126	Cable Assy, Power	3 - 163D	3 - C1	ANS BRY	2519.00	Yes
2100 011 1371	Asy. Assy, Mount			A45 BRY	82.76	No
2100 011 1376	Cable Assy			A45 BRY		Yes

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NSN	NAME	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
1430-01-784-5444	Elis Camp			AQ5 824	556.00	70
						YES
1430-01-751-1092	Current Card Assy			AQ5 AQ5 824 824	205.00	ND
1430-01-978-8822	Confin 1 KANS Bake Ant			1344	523.00	ND
						yes
						YES

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(6)

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NSN	NAME	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
62-00-491-4886	Circuit Card Assy			AMS AGS BKY	418.25	NO
62-00-491-6489	Circuit Card Assy			AMS AGS BKY	68.31	NO
62-00-230-3654	Circuit Card Assy			AMS AGS BKY	52.62	NO
62-00-230-3653	Circuit Card Assy			AMS AGS BKY	21.21 3121.00	NO

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1. (8)



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NSN	NAME	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
2800-00-230-3605A	Current Card Assy			AN5	71.45	NO
				AK5		
				BEY		
1400-00-970-7846	Indicator Assy			BEY	1448.00	NO
				BEY		
2800-00-203-1852A	Band IF (11"			BEY		
1400-00-810-7347	...			AN5	1513.20	NO
				BEY		
2800-00-081-0422	Elec Comp (11"			AN5	1720.20	NO
1400-00-047-2731				AK5		
1400-00-179-2391				BEY		
2800-00-027-1884	Photo resistance			AN5	1174.00	NO
				AK5		
				BEY		
2800-00-208-1198	Comp Elec Control			AK5	4046.00	NO
				AK5		
				BEY		

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(10)





UNCLASSIFIED

NON

NON

REQUIRED  
ON-HAND

QUANTITY  
ON-HAND

LOCATION

REPL  
COST

IMPACT

7430-01-093-7644

Power Supply, m

61-160000

445

BK 4

BR 4

5,189.00

No

yes

yes

yes

yes

yes

yes

yes

yes

UNCLASSIFIED

13



UNCLASSIFIED

NSN	NOUN	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL. COST	IMPACT
1500 935 3137	WIGGINS HANDBLES			KEY B&V	114.00	NO
1200 642 0449	SHORT SHOULDR			59E		
4300 000 0335	REPAIR KIT ROPE			AMS AS B&V	565.00	NO
1200 844 0449	FIN CONTAINER			NO RECORD		
4300 910 5338	SWITCH ASSY			AS B&V B&V	303.00	NO
						YES

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(15)

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NSN	NOUN	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
1430 00 407 2744	Elect. Out. Assy			AGS BKY	1371.00	NO
4400 001 1267	Cir. Swt. Assy			ANS AGS BKY BKY	163.00	NO
4200 403 2717	Cir. Swt. Assy			AGS BKY BKY ANS BKY BKY	310.00	YES
1430 00 403 5178	Cir. Swt. Assy			ANS BKY BKY	232.00	710

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(16)







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NSN	NOM	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL. COST	IMPACT
NSN-07-073-1463	Amc Elec Control			Ans	1402.00	NO
NSN-07-073-1463				Ans		
				BK4		
				BK4		
150 00 922-2049	Stimulus Trans Action			1145	\$ 91.04	70
				BK4		
						YES
						yes
220 00 750 3187	Valve Flow Reg			MUS	320.00	70
				AQ5		
				BK4		
NSN-07-073-1463	Cable Assy					
1011-16-3						
				NO RECORD		
				XD closed in front - Launcher has - revised		
				OFFICE - G 111		

(19)

UNCLASSIFIED

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NSN	NORM	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
4000-745-7645	Cure Assy HYD			AN5 AOS BK4	3,450.00	NO
				BK4		
12000-672-1192	Water Reg Pressure			BK4	245.00	70
				BK4		
4400-441-2805	Cardinal Unit Tool			AN5 AOS BK4	340.00	70
				BK4		
12000-816-3047	Water HYD			AOS	866.00	70
				BK4		
				BK4		
110-00-886-3044	Water Solenoid			AN5	1,573.00	70
				AOS		
12000-176-5825	Pump P-100			AN5	4,988.00	70
				AOS		
				BK4		
				BK4		

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(20)

UNCLASSIFIED

(2)

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NSN	NOIN	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL. COST	IMPACT
660642 3252	Pump		Onhand	upland by	4320-00-176-9935	181
6606314 0129	Steel Railway					
				AN5	2.85	NO
				AQ5		
				BR4		
				AN5		YES
				AQ5		
				BR4		
6606 277 5165	Transformer					
				AN5	4480.00	NO
				AQ5		
				BR4		

UNCLASSIFIED

NSN	NAME	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
	UNCLASSIFIED					YES
	UNCLASSIFIED					XD Service order No NSN
76-16674565	UNCLASSIFIED					
2500761173	R/ 08:11/10/8			BK4	6,375.00	NO
						yes
						XD Service order No NSN
13004716917	CALCULATED			AMS	132.00	NO
				AGS		
				BK4		
				BK4		

UNCLASSIFIED

(2)

ASN	ITEM	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
40000 405 7951	Circuit Card Assy			AN5	414.00	NO
				AO5		
				BR4		
130 00 407 7092	Cir Card Assy			BR4	495.00	NO
135-01-054-1460				AND5	14,865.24	NO
135 00 401 0245	Kit, S-1 Gc Room			AO5		
				BR4		
430-01-145-3592				BR4	29,228.00	NO
1300-050-2515	Connector Feat					
	Cum - H - A					
14007945555	Wearable Assy			BR4	63.60	NO
				BR4		

yes 13 bld

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NSN	NOIN	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REPL COST	IMPACT
2904 402 6534	Cavit Tunnel			AN5 AQ5 BR4	1,685.00	NO
5504 053 0154	Lucifer's Hammer			AQ5 BR4	580.00	NO
6104 022 3644	Sec. Cond Device			AN5 AQ5 BR4	8.99	NO
6104 022 3644	Sec. Cond Device			AN5 AQ5 BR4	8.99	NO
6104 022 3644	Sec. Cond Device			AN5 AQ5 BR4	7.10	NO
6104 022 3644	Sec. Cond Device			AN5 AQ5 BR4		

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(24)

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NSN	NAME	REQUIRED QTY	QUANTITY ON-HAND	LOCATION	REAL COST	IMPACT
1540 413 551	Ceramics Mixer			AN5	258.00	N/A
2000 256 373	Filter, Sil. Band			AN5	7,232.00	N/A
				BK4		
2000 224 321	Cable			AN5	97.22	N/A
				AN5		
				BK4		
20 00 401 232	Detector Crystal			AN5	1,290.00	N/A
				AN5		
				BK4		
15 00 414 037	Waterside Assy			AN5	117.00	N/A
				AN5		
				BK4		
2000 402 243	Detector Crystal			AN5	73.97	N/A
				BK4		

(25)

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# TRANSCRIPT OF PROCEEDINGS

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UNITED STATES SENATE

PMC 31 /87

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SELECT COMMITTEE ON  
SECRET MILITARY ASSISTANCE TO  
IRAN AND THE NICARAGUAN OPPOSITION

**UNCLASSIFIED**

DEPOSITION OF BENJAMIN P. CHATHAM

**UNCLASSIFIED**

Partially Declassified/Released on 4 JAN 88  
under provisions of E.O. 12356  
by K. Johnson, National Security Council

Washington, D. C.

Wednesday, March 18, 1987

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UNITED STATES SENATE

SELECT COMMITTEE ON

SECRET MILITARY ASSISTANCE TO  
IRAN AND THE NICARAGUAN OPPOSITIONDEPOSITION OF BENJAMIN P. CHATHAM

Washington, D. C.

Wednesday, March 18, 1987

Deposition of BENJAMIN P. CHATHAM, called for examination pursuant to notice of deposition, at the offices of the Select Committee, Room 901, Hart Senate Office Building, at 2:05 p.m. before DAVID L. HOFFMAN, a Notary Public within and for the District of Columbia, when were present:

JOHN DAVID SAXON, ESQ.  
Associate Counsel  
United States Senate Select  
Committee on Secret  
Military Assistance to  
Iran and the Nicaraguan  
Opposition  
Room 901  
Hart Senate Office Building  
Washington, D. C.

Partially Declassified/Released on 4 JAN 88  
under provisions of E.O. 12356  
by K. Johnson, National Security Council

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C O N T E N T SWITNESSEXAMINATION

Benjamin P. Chatham

by Mr. Saxon

3

E X H I B I T SCHATHAM DEPOSITION NUMBERIDENTIFIED

Exhibit 1

21

Exhibit 2

22

Exhibit 3

22

Exhibit 4

23

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## PROCEEDINGS

(2:05 p.m.)

Whereupon,

BENJAMIN P. CHATHAM

was called as a witness and, having been duly sworn, was examined and testified as follows:

## EXAMINATION

BY MR. SAXON:

Q Mr. Chatham, first of all, I want to thank you for coming, for your willingness to cooperate with the committee. The conversations we've had, you seem to have an attitude of trying to help us in our process of getting at the truth of everything that went on.

And your what seems to be a small role may or may not seem relevant to you, but we're trying as best we can to find out everything we can.

For the record for us, would you state your name, address, phone number, and so forth?

A Do you want my business address or personal?

Q Both.

A My name is Benjamin P. Chatham. Business address is Automatic Door Specialists, 132 Washington Boulevard,

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2350 01 01

1 DAV/bc 1

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UNCLASSIFIED

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2350 01 02

1 DAV/bc 1 Laurel, Maryland 20707.

2 Home address is [REDACTED] Laurel,  
3 Maryland 20708.

4 Q Your business is Automatic Door Specialist. What  
5 is your position?

6 A I am in charge of sales for the company.

7 Q Your title is Sales Manager?

8 A Or Vice President for Sales.

9 Q Tell us, if you would, what Automatic Door  
10 Specialists is? What's the nature of the business? What do  
11 you do?

12 A We do a variety of things. We sell, install and  
13 service automatic doors, automatic gates, access control  
14 systems, closed circuit television, anti-terrorist  
15 barricades, parking systems.

16 Q Any electronic surveillance systems?

17 A Well, only in that they're connected to access  
18 control systems. Burglar alarm type systems. Some outside  
19 sentry systems that go on fences, and things of that  
20 nature.

21 Q What can you tell us about the anti-terrorist  
22 systems that you have installed?

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5

2350 01 03

1 DAV/bc

1

A Okay. Most of them are installed for the

2

government. [REDACTED]

3

4

5

From a non-U.S. government point of view, the

6

[REDACTED] and the [REDACTED]

7

8

9

Q You're here, as you know, to talk about the

10

installation of an automatic door at the home of Lieutenant

11

Colonel Oliver North. I understand from what you've told me

12

that when that was installed, at the time, you did not know

13

it was the home of Colonel North.

14

But, for purposes of my questioning, let me just

15

refer to the door that you installed at Colonel North's

16

home.

17

For the record, would you tell us whether you

18

knew that was the home of Colonel North when you installed

19

it?

20

A No. My first knowledge that it was Colonel

21

North's home was last Thursday.

22

Q But it was at Colonel North's home as best you

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6

2350 01 04

1 DAV/bc

1 have since been able to

2 A Yes, as I have been able to ascertain, that's  
3 true.

4 Q What was the address of the home in which you  
5 installed this gate?

6 A [REDACTED] Great Falls, Virginia.

7 Q Would you spell [REDACTED] for us?

8 A [REDACTED]

9 Q What was the date of the installation?

10 A I can tell you that we finished on or about the  
11 6th of July because we invoiced the work on the 7th of July,  
12 and we normally do that shortly after finishing the work.

13 Q What type of door was it?

14 A Actually, we did not install the gate. The gate  
15 was already there. All we did was connect an automatic  
16 operator to the gate, install an intercom from the gate  
17 location to the house, to several locations within the  
18 house, so that people in the house could talk to guests.

19 And once they had talked to them, opened the gate  
20 from the house.

21 Q This was a gate at the entrance of the driveway?

22 A That's correct.

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7

Z350 01 05

1 DAV/bc 1 Q So that someone would come up to the house, there  
2 would be an intercom. They would --

3 A Press a button, which would ring a chime in the  
4 house.

5 Q Someone inside could activate the door being  
6 opened?

7 A That's correct. Additionally, there were  
8 controls that the residents of the home could use on their  
9 automobile to open the gate from their automobile.

10 Q Who specified the particular features that you  
11 were to provide, since you didn't provide the gate itself,  
12 without using features for everything that you would have  
13 provided?

14 A The gate was already there. The remainder of  
15 equipment was arrived at in a discussion between a man by  
16 the name of Glen Robinette and myself.

17 Q Did Mr. Robinette recommend any particular types  
18 of features?

19 A He had a general idea of how he wanted it to  
20 operate. It was a compromise position on what he wanted to  
21 spend and what we could install for that price.

22 Q Was it your sense in talking with Mr. Robinette

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8

2350 01 06

1 DAV/bc 1 that he had been to the residence and was familiar with the  
2 physical features of the gate, and so forth?

3 A Yes. At the time that I initially discussed this  
4 job with him on the telephone, he appeared to have been to  
5 the residence before. And then we subsequently met at the  
6 location prior to me giving him a proposal to do the work.

7 Q Have you since had occasion to service the gate  
8 or any of the equipment you installed?

9 A I think we have serviced the equipment a couple  
10 of times. I don't have those dates. But I would say that  
11 the majority of the service work was done probably within  
12 the first 90 days after the installation.

13 Q And in the normal course of business, you would  
14 service the equipment?

15 A Yes, because the equipment we install has a  
16 manufacturer's warranty of 90 days. So any parts that go  
17 bad, we have to replace under that warranty.

18 Q Who contacted you with regard to the service  
19 needed when it was provided?

20 A Mr. Robinette.

21 Q Do you know who was home, if anyone, in the times  
22 when the gate was installed or serviced, or any of the times

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2350 01 07

9

1 DAV/bc 1 that you or anyone else may have gone out to the North home?

2 A On the two occasions that I was there in  
3 reference to the proposal, no one was home. During the  
4 installation, the people that I had installing the equipment  
5 stated that there were at least two women and some children  
6 there.

7 Q I assume someone would have had to be home to  
8 allow your technicians in to do the installation?

9 A Yes. And before we went to do the installation,  
10 we had to coordinate the date and the time with  
11 Mr. Robinette so he could ensure someone would be there.

12 Q You learned that this was Colonel North's home,  
13 as you said, I believe, before we began last week, from the  
14 media. Is that correct.

15 A Yes, when CBS called and wanted to make some  
16 inquiries.

17 Q At no point did Mr. Robinette say this is Colonel  
18 North's home, Oliver North's home? Mr. North's home?

19 A No. He said that it was an associate of his that  
20 he was doing a favor for.

21 Q Who paid for the installation of the gate?

22 A Mr. Robinette.

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2350 01 08

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10

1 DAV/bc 1 Q What was the total amount?

2 A \$2,173.

3 Q How was that paid for?

4 A Paid in cash.

5 Q Was it at all unusual for you to do a job in that

6 price category or neighborhood and be paid in cash?

7 A I would say yes because there have been very

8 infrequent times when anyone's paid us in cash.

9 Q Did you make any comment at the time about being

10 paid in cash?

11 A No.

12 Q Who received the cash?

13 A I did.

14 Q So, if any comment would have been made by

15 anyone, it would have been you?

16 A Right. In fact, I was called, upon his receiving

17 our bill, he called and asked me to meet him so that he

18 could pay me in cash.

19 Q Did Mr. Robinette say why he was paying in cash?

20 A No.

21 Q Did he make any comment about whether that was

22 his usual manner of conducting business?

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11

2350 01 09

1 DAV/bc 1

A No. He did not.

2 Q Did he say why he wanted to have you meet him  
3 somewhere?

4 A No. And the place that we met was kind of a  
5 peculiar place.

6 Q Why don't you tell us about where did you meet?

7 A We met at a Japanese restaurant in Silver Spring,  
8 Maryland, called the Sakura Palace.

9 Q Is that the place of his specification?

10 A Yes.

11 Q Did you sense he was specifically specifying a  
12 neutral meeting place rather than on your premises?

13 A I had no idea why he picked this particular  
14 place. My memory on why is hazy, but I think he said he had  
15 to meet someone else there later. But I may be a little  
16 hazy on that. But I think that he said that.

17 Q Would I be safe in saying or concluding that this  
18 was a bit unusual, both as to payment in cash and to meet  
19 off your premises?

20 A Yes, it was. And the fact that I was paid  
21 primarily in \$20 bills, it was given to me in a plain white  
22 envelope, was again very peculiar.

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1 DAV/bc

1 Q Anything else unusual about the bills? They were  
2 \$20 denominations?

3 A Mostly twenties. I think there may have been one  
4 100 and maybe two fifties. The rest was all twenties.

5 Q Who made the initial contact with your firm  
6 regarding this job?

7 A Mr. Robinette called and I do not know the date,  
8 but I assume that it was sometime in mid-June, asked for  
9 some type of budgetary estimate on what it would cost to do  
10 some work on a gate and an intercom system in Great Falls,  
11 Virginia.

12 I gave him that estimate. The following day, he  
13 called back and asked if I would meet him at the residence.  
14 I met him at a gas station near the residence, and he drove  
15 down and I followed him to the residence.

16 Q Did he specify that you meet him at the gas  
17 station?

18 A Yes.

19 Q Did he say it was because the instructions  
20 specifically to the home would have been difficult to

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1 DAV/bc

1 follow? Was that the easy way?

2 A Well, I think he did it because that would be a  
3 convenient place to meet.

4 Q Did he say anything which would indicate when he  
5 called for the estimate that he would have to look at a  
6 budget, look at cash flow figures? Go to anybody else for  
7 approval in any way for this amount of money, and for this  
8 particular job?

9 A No, he did not, although I assume that that was  
10 probably the case.

11 Q Did he ever use a statement of "we"? "We have to  
12 do this"? "We have to set this up"? We have to have this  
13 amount approved"? "We have to come up with the money"?

14 A No. His only terminology was that he was doing  
15 it for an associate.

16 Q Did anyone at Automatic Door other than yourself  
17 deal with Mr. Robinette in this matter?

18 A No, that's it.

19 Q Other than Mr. Robinette saying that he was doing  
20 this at the home of an associate and he was doing it as a  
21 favor for that associate, did he say what the nature of his  
22 association with the individual we now know to be Mr. North

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1 DAV/bc

1 was?

2 A Well, I believe he said that they had been  
3 associated prior to the present time in the Middle East.  
4 And that he felt that by doing this work that we possibly  
5 would be able to do some further work in the future.

6 And one of the things he asked me about was did  
7 we do work in overseas locations. And I said not normally  
8 but, depending upon what it was, we would certainly consider  
9 it. And there was a discussion about it.

10 It involved installing electronic devices on  
11 buildings in overseas areas. And when I asked which areas,  
12 I was told that he was not at liberty to tell me that, but  
13 it would be in the Far East and other parts of the world.  
14 And that our personnel would have to have government  
15 security clearances.

16

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1 DAVbw

1 Q Did he tell you why he was handling this himself?

2 A I can't remember the exact words. He said he was  
3 doing a favor for this friend of his who was too busy and  
4 did not know the types of things that he would necessarily  
5 need to provide security for his home.

6 Q Did he say why this associate needed security for  
7 his home?

8 A The statement was made that there had been some  
9 vandalism or damage done in the area of the home,  
10 specifically, the mailbox, and in addition to the equipment  
11 that we did install, there was some discussion about  
12 installing closed circuit TV to monitor the mailbox area.

13 Q I recall from your earlier description of the type  
14 of work you do, that that would be something you could do;  
15 is that correct?

16 A Uh-huh.

17 Q Has there been any subsequent discussion?

18 A He asked me for a price to install some  
19 equipment. I gave him a price. He seemed to indicate that  
20 was too expensive, and he wanted to know if we would rent or  
21 lease the equipment on a short-term basis, and I said, no we  
22 would not do that. So that ended the conversation in regard

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16

1 DAVbw

1 to that equipment.

2 Q Going back to my question about the reason why his  
3 associate would have needed this equipment, you said there  
4 had been some vandalism, some damage to the mailbox. In the  
5 context of your discussion with Mr. Robinette on this point,  
6 did you sense it was anything other than the kind of home  
7 security problems the average citizen in the Washington area  
8 would have?

9 A No, because we have as lot of customers who ask  
10 for that type of stuff, because they do have vandalism or  
11 break-ins occur, where they want to protect themselves for  
12 that reason, particularly those in the higher income  
13 brackets that live in places like Great Falls and Potomac.

14 Q Is this a home you would classify as -- at the  
15 time you did it, knowing nothing else, that it would have  
16 belonged to someone in an upper income bracket?

17 A No. Decidedly not. I would say the home, except  
18 for its location -- it was located in a fairly good  
19 neighborhood, but the house itself was old, and it was not  
20 kept in a very good state or order.

21 Q A modest house?

22 A Very modest and not kept up very well.

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1 DAVbw

1 Q Can you think of anything else Mr. Robinette said  
2 to you on any of these occasions, which would have any  
3 relevance to any of the things we've talked about?

4 A No. And as things have transpired, the fact that  
5 Colonel North is the owner of the house, even if he had told  
6 me at the time, it would not have meant anything to me, but  
7 he did not indicate anything out of the ordinary, other  
8 than it was a normal security thing that he was doing for a  
9 friend.

10 Q Did he indicate that he had done any other favors  
11 for this associate?

12 A No, he did not.

13 Q Did he indicate that he had done any favors for  
14 any other associates, that in any way he did this for lots  
15 of his friends, lots of his associates, whatever?

16 A No, he did not.

17 Q The name, "Oliver North," never came up in your  
18 discussions with Mr. Robinette?

19 A Absolutely not.

20 Q Did the name, John Poindexter, ever come up?

21 A No.

22 Q Robert McFarlane?

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1 DAVbw

1 A No.

2 Q None of the names you and I have seen in the news  
3 the last few months, relating to these matters?

4 A No, in fact, the only name that I associated with  
5 this is Mr. Robinette. Now one of the names that has  
6 subsequently come out, I know, because of the place that I  
7 used to work. General Secord. He was still on active  
8 duty. The company I worked with did business with the Air  
9 Force, and I knew him from that. But outside of that, I had  
10 no knowledge of the other people.

11 Q Have you done any other work, either before this  
12 job or after this job, for Mr. Robinette?

13 A No.

14 Q Do you know how he came to know you?

15 A No, I do not. I assume that he just picked us out  
16 of the Yellow Pages. I have no idea.

17 Q Other than the time period when Mr. Secord was on  
18 active duty, have you done any work for Richard Secord?

19 A No.

20 Q Have you done any work for Thomas Clines?

21 A No. In fact, the first time I knew that name was  
22 on the subpoena.

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2 DAVbw 1 Q Let me go back to Mr. Robinette's inquiries to you  
2 regarding possible work in the Middle East involving  
3 electronic devices on, around or in buildings, and so  
4 forth.

5 Did he say, at any point, what the nature of his  
6 business was?

7 A No. But I assume that given the name of the  
8 company that he was in some sort of consulting -- putting  
9 together deals type of thing.

10 Q What company name did he give you?

11 A Glen Robinette & Associates.

12 Q So when you sent a bill, that's to whom you sent  
13 it?

14 A Yes.

15 Q When he talked about this and said that it would  
16 be in other countries, it would be in other parts of the  
17 world, which he was not at liberty to disclose the precise  
18 location of, when he said that personnel would have to have  
19 government security clearances, what went through your mind?

20 A The implication that I arrived at was that it was  
21 probably some government type installations in the overseas  
22 areas, particularly since you would have to have U.S.

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1 DAVbw

1 Government security clearance.

2 Q Did you ask him who this work would be for?

3 A No, I did not.

4 Q Did you ask him if it were government-related or  
5 government-sponsored?

6 A No, I did not.

7 Q Did you ask him who any of the other parties would  
8 be?9 A No, I did not. I assumed that, given the way the  
10 man operated, that he was, in fact, what he turned out to  
11 be, an ex-CIA agent.12 Q I take it from what you've said, you have had  
13 dealings with the government?

14

15

16 A Well, yes. A lot of our work is done for the  
17 Federal Government, by the nature of it.

18

19 Q Was the mode of operation Mr. Robinette followed,  
20 consistent with what you had come to see and experience?21 A No, I would say it more closely followed what you  
22 read to be the mode of operation for their covert agents.

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21

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2 DAVbw 1 Q Let me ask you about any documents, paper, you  
2 have with you.

3 Was there a purchase order written up when this  
4 first came in to your company?

5 A Yes. I submitted to him a contract specifying  
6 what we would do and what the price would be. I signed it.  
7 He was accepting that and giving us the authority to  
8 proceed, signed it and returned it.

9 MR. SAXON: Let me ask you to mark this as  
10 Deposition Exhibit 1.

11 This is denominated as a proposal from ADS  
12 Automatic Door Specialists, which at the bottom, evidences  
13 acceptance of the proposal and bears the signatures, as  
14 Mr. Chatham said, of himself and Mr. Robinette.

15 (Exhibit 1 identified.)

16 (A pause.)

17 THE WITNESS: The difference in amount of the  
18 original \$2154 and the \$2173 that we billed him was the cost  
19 for an additional transmitter for the automobile.

20 BY MR. SAXON:

21 Q Okay. Thank you.

22 Let me ask if you have other documents which you

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2350 02 08

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1 DAVbw

1 wish to provide us?

2 A At the time that we concluded the work, I wrote a  
3 note to him thanking him -- as a letter of transmittal for  
4 an invoice and thanking him for the business. That is the  
5 letter. This is a copy of the invoice that was attached to  
6 it.

7 MR. SAXON: Let me have you mark as Exhibit 2, the  
8 letter from Mr. Chatham to Mr. Robinette on the letterhead  
9 of Automatic Door Specialists, which as Mr. Chatham has just  
10 told us, attaches an invoice and thanks him for the  
11 business.

12 (Exhibit 2 identified.)

13 (A pause.)

14 MR. SAXON: Let me give you, for Exhibit 3, the  
15 actual invoice under the name Automatic Door Specialists, a  
16 job invoice, a particular number. Evidences the work done,  
17 the total amount of \$2173, and I see where, as that is  
18 dated, typed in "7/7/86," written at the bottom is a  
19 notation that on 7/10/86, this was paid in cash.

20 (Exhibit 3 identified.)

21 BY MR. SAXON:

22 Q Mr. Chatham, when you received the payment in

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23

1 DAVbw 1 cash, did you have this invoice with you, and was that  
2 notation made then or was it made later?

3 A That was made by the lady that does our  
4 bookkeeping in the office.

5 Q Based on your having told here?

6 A Yes. I brought back the case. I have a deposit  
7 slip, where we deposited it in the bank the same day.

8 MR. SAXON: We will mark as Deposition Exhibit 4,  
9 a deposit ticket with Citizens Bank of Maryland, in the  
10 amount of \$1,173, which is the precise amount of the  
11 invoice, apparently the amount of cash conveyed, and the  
12 deposit ticket dated July 10, 1986.

13 (Exhibit 4 identified.)

14 BY MR. SAXON:

15 Q Are there any other documents which you have?

16 A No, I believe that's the ones that show how the  
17 transaction occurred.

18 Q Was there any subsequent correspondence, either in  
19 writing or communication by phone or otherwise from  
20 Mr. Robinette after your dinner meeting with him in Silver  
21 Spring at the restaurant at which he gave you the cash?

22 A The only discussions after that were telephone

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2350 02 10

1 DAVbw

1 conversations about things that were not working correctly  
2 on the gate.

3 Q Pertaining to the service?

4 A Pertaining to the service of the gate.

5 Q That was the only contact?

6 A That's the only other contact.

7 Q When you were at the North residence, what we now  
8 know and assume to be the North residence or when any of  
9 your technicians doing the installation or service were  
10 there, did you observe anything, or did they report their  
11 observance of anything which, in any way, was unusual about  
12 the home, its contents, et cetera?

13 A No. Well, the technicians. I was never in the  
14 house myself, only on the outside.

15 The technicians who installed the equipment were  
16 in the house, because they had to install the intercom  
17 system and the wiring through the house. Their comment was  
18 that the house was in a very unkempt condition, particularly  
19 the basement area, where they had five or six cats running  
20 around with no litter box.

21 That is the sum total of their comments about the  
22 house.

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1 DAVbw 1 Q No statements, however, on their part about  
2 observing anything pertaining to national security --  
3 computers, documents, anything that would suggest, as we now  
4 know and assume that this was the home of Colonel Oliver  
5 North?

6 A No.

7 Q Since this story broke and you were contacted last  
8 week by CBS News, the story pertaining to you involvement,  
9 your company's involvement of Automatic Door, have you heard  
10 from anything other than our committee and the Washington  
11 Post about this matter?

12 A The only people I have talked to about it was this  
13 committee, CBS News, specifically a man by the name of  
14 Howard Rosenberg, and the Washington Post, George Lardner --  
15 L-a-r-d-n-e-r. I have not talked to him, specifically. He  
16 called and left a message, and I tried to call him back.  
17 Never could get ahold of him.

18 Q You have not heard from anyone representing  
19 Mr. Robinette in a legal or other capacity within the last  
20 week or so?

21 A No.

22 Q Let me back up and ask you, what is the period of

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L DAVbw

1 your employment with Automatic Door?

2 A I've been there since April 15, 1985.

3 Q Since your employment by Automatic Door, have you  
4 had occasion to do any work for any of the individuals or  
5 entities names and listed in the attachment sent you,  
6 Attachment A? That would be in addition to Mr. Robinette,  
7 Richard Secord, Thomas Clines or Oliver North.

8 A No.

9 Q I would add to that Edwin Wilson.

10 A No.

11 Q In your employment prior to Automatic Door, who  
12 were you employed with?

13 A A company called the BDM Corporation. It's in  
14 McLean, Virginia.

15 Q What was the period of your employment there?

16 A From June 3, 1977, until March 18, 1985.

17 Q Was it a similar kind of work?

18 A No. They are what is termed a "Beltway bandit"  
19 type company. We did primarily U.S. Government contract  
20 work and primarily in the defense arena. The part of the  
21 company that I worked was involved in two things. Large  
22 dollar multiyear contracts with U.S. Government agencies and

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2350 02 13

1 DAVbw

1 with foreign defense establishments, specifically, Saudi  
2 Arabia, the Republic of China, the Kingdom of Kuwait, Egypt,  
3 other countries and with NATO.

4 Q Let me ask you if, in your period of employment  
5 with BDM, you had occasion to do any work for Richard  
6 Secord.

7 A With him, personally, no. With one of the  
8 commands that he was in charge of, yes.

9 Q When he as an active duty officer?

10 A Yes.

11 Q What about Edwin Wilson?

12 A No. My only knowledge of him was what I've heard  
13 in the press.

14 Q What about Thomas Clines?

15 A My only knowledge of him was the subpoena.

16 Q What about Theodore Shackley?

17 A No. I never heard of that name.

18 Q What about John Singlaub?

19 A Yes. I've heard General Singlaub's name in  
20 reference to his being fired by the previous Administration  
21 and also his involvement with the operation in Nicaragua or  
22 Honduras.

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1 DAVbw

1 Q But did you do any work for him while at BDM?

2 A No.

3 Q With regard to all of the individuals I just  
4 named, while you may not have done any work for them at BDM,  
5 other than the way you've characterized it with General  
6 Secord, are you aware that BDM did any work for any of these  
7 individuals?

8 A I would seriously doubt it. The only possibility  
9 would have been General Singlaub, and if we had, I don't  
10 know when it would have occurred, because I know he was in  
11 Korea before he was put out of the military, but the other  
12 people I seriously doubt it.

13

14

15 (Discussion off the record.)

16 BY MR. SAXON:

17 Q I just have a couple of more questions,  
18 Mr. Chatham.

19 When Mr. Robinette told you that he was having  
20 this work done as a favor for an associate, did he make any  
21 statement at all as to whether he expected his associates to  
22 repay him or return the favor in any way?

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2350 02 15

1 DAVbw

1 A No, he did not. I assumed that the money he  
2 ultimately paid me came from the associate. I had no reason  
3 to believe one way or the other that he, personally, was  
4 paying for it.

5 Q That statement, referring to what you said earlier  
6 about Mr. Robinette's indicating his friend was too busy and  
7 didn't know the kind of --

8 A Right; uh-huh.

9 Q Would you say, from the descriptions Mr. Robinette  
10 gave you of the kind of equipment that he wanted or would  
11 recommend or wanted to inquire about with regard to price,  
12 is it fair to say he seemed to be familiar with this kind of  
13 equipment?

14 A Seemed to be; yes. I would say more familiar  
15 than the normal residential customer that will call you.

16 Q Did you comment on his apparent knowledge in any  
17 way?

18 A No.

19 Q Did you say "You seem to have dealt with this  
20 equipment before"?

21 A No.

22 Q A final question. When you met him at the

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2 DAVbw

1 restaurant and received the envelope, did you make any  
2 statement -- either at that time, immediately prior or  
3 subsequent, did you inquire as to why he wanted to go to a  
4 restaurant or a --

5 A No, I did not.

6 Q Did you make any comment as to whether it was kind  
7 of unusual?

8 A No.

9 Q And when he handed you the envelope, what did he  
10 say? How was that handled?

11 A He handed me the envelope and asked me if I wanted  
12 to count it, and I said, no. I just put it in my pocket.

13 Q But when he handed you the envelope, he said,  
14 "This is the payment for your invoice"?

15 A Right.

16 Q And I assume you looked in the envelope and saw  
17 that it had cash in it?

18 A Money; yes. And I put it in my pocket.

19 Q Did you make any comment?

20 A No.

21 Q You didn't say, "It's kind of unusual," or "Why  
22 are you paying in cash"?

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2350 02 17

1 DAVbw

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A No, I did not.

2

MR. SAXON: Mr. Chatham, I want to thank you again

3

for appearing, for providing us these documents, for what

4

seems to me to be your apparent willingness to tell us

5

everything you know.

6

This has been quite helpful. Thank you.

7

(Whereupon, at 2:50 p.m., the taking of the

8

deposition was concluded.

9

(Signature waived.)

10

11

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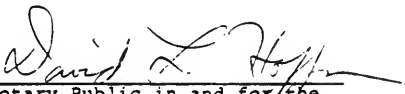
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**CERTIFICATE OF NOTARY PUBLIC & REPORTER**

32

I, DAVID L. HOFFMAN, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

  
\_\_\_\_\_  
Notary Public in and for the  
District of Columbia

My Commission Expires 6/30/90

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HSITS-102/87  
1-2

BOYUM  
MILTON

**CIA AIR BRANCH CHIEF**

DEPOSITION OF [REDACTED]

Friday, June 19, 1987

U.S. House of Representatives,  
Select Committee to Investigate Covert  
Arms Transactions with Iran,  
Washington, D. C.

The Committee met, pursuant to call, at 10:00 a.m.,  
in Room 2226, Rayburn House Office Building, Pat Carome  
presiding.

On behalf of the House Select Committee: Pat Carome.

On behalf of the Senate Select Committee: Timothy  
Woodcock.

On behalf of the Witness: Phyllis Provost McNeil  
and Rhonda M. Hughes, Central Intelligence Agency.

Partially Declassified/Released on 22 DEC 87  
under provisions of E.O. 12238  
by B. Roger, National Security Council

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3003

**TOP SECRET**

**TOP SECRET**  
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3

1 THE WITNESS: I would like to start just to say  
2 that I don't have any records. I am working on memory, so  
3 what I say is going to be the best of my recollection, but  
4 I can't guarantee anything. I'll do my best.

5 Whereupon,

6 [REDACTED]  
7 was called as a witness and, having been previously duly  
8 sworn, was examined and testified as follows:

9 EXAMINATION ON BEHALF OF

10 THE HOUSE SELECT COMMITTEE

11 BY MR. CAROME:

12 Q All right. Just for the record, [REDACTED] -  
13 actually, first, could you spell your name? I have never  
14 been quite sure how you spell it.

15 A [REDACTED]

16 Q Just for the record, my name is Patrick Carome.  
17 I am a staff counsel on the House Select Committee to  
18 Investigate Covert Arms Transactions with Iran. Our  
19 committee has been established pursuant to a House Resolu-  
20 tion and we have rules.

21 The CIA has previously been given copies of these  
22 rules. I am handing you a copy of each of those for you to  
23 have if you would like them.

24 Our committee has been set up to look into, as  
25 its name suggests, covert arms transactions with Iran.

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**TOP SECRET**

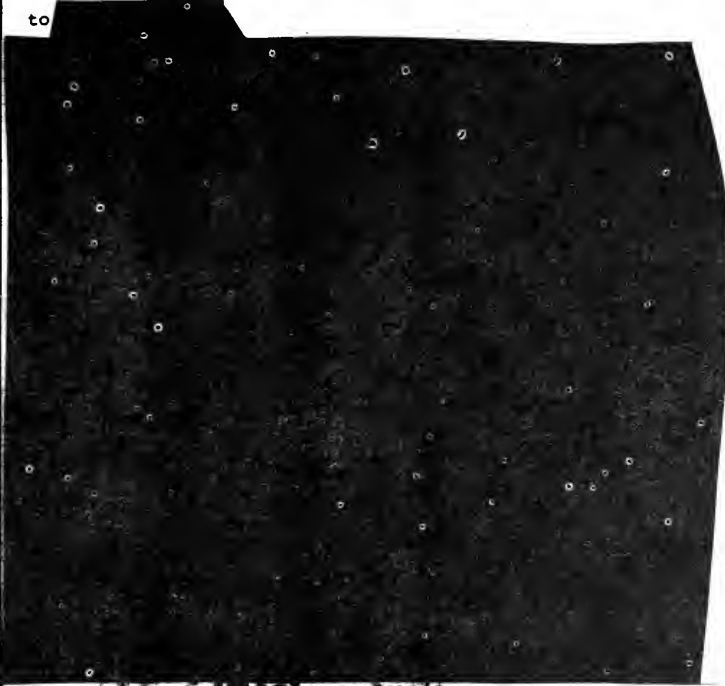
**TOP SECRET**  
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1 We are also looking into matters involving support for the  
2 contres.

3 There is a parallel Senate committee. It may  
4 be that a Senate lawyer like me will come and they may have  
5 questions for you as well.

6 I would like to begin by asking you to state  
7 your current position with the Central Intelligence  
8 Agency, and why don't we just start there.

9 A I am assigned from the Directorate of Operations  
10 to



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1 [REDACTED]  
2 [REDACTED]  
3 [REDACTED]  
4 [REDACTED]  
5 [REDACTED]  
6 [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
9 [REDACTED]  
10 [REDACTED]  
11 [REDACTED]  
12 [REDACTED]  
13 [REDACTED]  
14 from '84, October of '84 to October of '86, I was  
15 assigned to headquarters here in Washington and was chief  
16 of [REDACTED], which is the reason I'm here.

17 Q You were chief of [REDACTED] during that  
18 entire stretch of time, is that right?

19 A October, '84, to October, '86, two years, yes.  
20 [REDACTED]  
21 [REDACTED]  
22 [REDACTED]  
23 [REDACTED]  
24 [REDACTED]  
25 [REDACTED]

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[REDACTED]

Q Please describe the nature of your job as chief

[REDACTED]

A That is a broad question.

air operations

[REDACTED]

Q To whom did you report in that position?

A I reported to the chief of the -- at that time

it was named [REDACTED] I believe.

[REDACTED]

Q I see.

A But quite often it was such a small thing, I would sometimes go directly to the chief of the whole

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1 division, which was -- that was the chain of command as it  
2 was.

3 [REDACTED]  
4 [REDACTED]  
5 [REDACTED]  
6 Q Positions; why don't we start there.

7 A I had a deputy which most of the time was  
8 [REDACTED]  
9 [REDACTED]  
10 [REDACTED]  
11 [REDACTED]  
12 [REDACTED]  
13 [REDACTED]  
14 [REDACTED]

15 Q I take it that one of the activities of the  
16 [REDACTED] was to work with Agency proprietary companies  
17 in the airlines business; is that right?

18 A Yes, we worked -- they were part of us, as a  
19 matter of fact. They came in the chain of command under-  
20 neath you, yes.

21 Q How did the air proprietaries fit in?

22 A Well, essentially we would get -- receive  
23 operational orders or plans or something from normally  
24 from an area division and then come down to us and we  
25 would essentially task a proprietary to perform the air

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1 mission required. And it was fairly -- they weren't  
2 necessarily involved in the planning but they were told  
3 what to do.

4 [REDACTED]  
5 [REDACTED]  
6 [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
9 [REDACTED]  
10 [REDACTED]  
11 [REDACTED]  
12 [REDACTED]  
13 BY MR. CAROME:

14 Q And I take it that one of those was [REDACTED]  
15 [REDACTED] is that right?

16 A Correct. Yes.

17 Q What was the chain of command between you and  
18 [REDACTED] in November, 1985?

19 A November, '85? I had an officer, [REDACTED]  
20 who was running the [REDACTED] section, and from the  
21 [REDACTED] section it went down to an officer [REDACTED]  
22 [REDACTED] whose full-time job  
23 was to liaise with the proprietary

24 Q That is [REDACTED] PROJECT OFFICER (PO) is that right?

25 A Yes, that is true.

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1 Q I take it that it was -- let me withdraw that  
2 question.

3 Was the proprietary point of contact between  
4 PO AIR BRANCH SUBORDINATE(S)  
5 and [REDACTED]?

6 A Normally, yes.

7 Q When you say normally, what would be the --

8 A I could also have direct contact if for some  
9 reason S [REDACTED] wasn't there, or, you know, it was not a  
10 strict construction but that would be the normal contact,  
11 yes.

12 Q And I take it that PO [REDACTED] then was the  
13 primary point of contact with the people who were actually  
14 at [REDACTED] is that right?

15 A Almost exclusively.

16 Q And that it would be a rare situation for someone  
17 at [REDACTED] to speak directly to someone [REDACTED]  
18 is that right?

19 A Very rare. I can't think of an instance, but  
20 it is possible.

21 Q And the person who PO [REDACTED] dealt with primarily  
22 PROPRIETARY MANAGER (M)  
23 at [REDACTED] was [REDACTED] is that right?

24 A To my knowledge, almost exclusively again.

25 Q During 1985 and to your knowledge, how many  
times did a [REDACTED] plane go to Iran?

A Geez, I -- I think several times, but I'm not

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1 really sure.

2 Q Could you please tell me the times that you  
3 recall, again speaking about 1985?

4 A The flight in question, of course, in November  
5 of '85.

6 Q That is one. What others are you aware of?

7 A There may have been a flight -- and I'm not  
8 really sure about this -- a flight in August of '85, but it  
9 had no connection whatsoever with what is in question. It  
10 was a commercial type flight.

11 I can't say that for sure because I have never  
12 seen any documentation on that, but I was told that was  
13 the case and I won't question it. But I have not personally  
14 seen it.

15 Q We have been told about and have received records  
16 about a flight from I guess [REDACTED] to Tehran.

17 A I think that is the flight.

18 Q In early August, 1985.

19 A That is the one that probably took place.

20 Q And this obviously is not my chief area of  
21 inquiry, but were you aware of that flight at the time  
22 it was taking place?

23 A Well, this is a question that came up before  
24 and I would say that if I were in the office at the time,  
25 and I may have and I may not have been, it would have come

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1 through me, the request, and I would have taken it up to  
2 my superiors for authority to operate the flight.

3 Q What you are saying is that that is the way  
4 you would have responded to that --

5 A Without question.

6 Q But that you don't have a specific recollection  
7 of doing that; is that right?

8 A Yes, but I won't say it didn't happen because  
9 you can't imagine the number of things that happen. But  
10 it's a pretty set procedure and it would never have gone  
11 without that authority.

12 Q Do you recall whether any contact was made with  
13 Central Intelligence Agency lawyers to look into legal  
14 questions surrounding a flight like that to Iran?

15 A No, but normally that would certainly be the  
16 procedure.

17 Q I take it that [REDACTED] performs both --  
18 at the time performed both commercial flights and non-  
19 commercial flights on behalf of the United States Govern-  
20 ment; is that right?

21 A Yes.

22 Q And what were the rules or understandings  
23 about [REDACTED] ability to take on commercial flights;  
24 were there any restrictions on the types of commercial  
25 flights that [REDACTED] could handle?

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1 A Yes, any flight of an unusual nature, a flight  
2 to [REDACTED] for instance, or any-  
3 thing of that sort would, the standing instructions were to,  
4 that it had to have approval from headquarters. That is  
5 the reason, but <sup>PO</sup> [REDACTED] was actually [REDACTED] One  
6 of his primary functions --

7 MR. CAROME: Let's go off the record a second.

8 (Discussion off the record.)

9 MR. CAROME: Let's go back on the record.

10 Could you read back the last question and  
11 answer.

12 (The reporter read the record as requested.)

13 BY MR. CAROME:

14 Q Okay. Would you finish that -- you were  
15 describing what one of <sup>PO</sup> [REDACTED] primary functions were.  
16 What were you about to say?

17 A That is really it.

18 Q One of his primary functions was --

19 A Was to coordinate to make sure the nature of the  
20 flight was reported to headquarters and the flight didn't  
21 operate without the approval.

22 Q Were there any restrictions on the nature of  
23 the cargo which [REDACTED] could carry without getting  
24 prior approval from the Agency?

25 A If it were something out of the ordinary, that

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1 would be reported, should be reported to headquarters, and  
2 we would have asked permission to do that.

3 Now, you know this is kind of a -- you have to  
4 picture this airline. It is sort of like a tramp freighter.  
5 Sort of plodding around from point to point, and you don't  
6 ask too many questions when you are doing this. The reason  
7 you don't ask questions is because you want the people to  
8 come to you for this type of business.

9 Q When you say you don't ask too many questions,  
10 who is "you"?

11 A The proprietary doesn't ask too many questions.

12 Q About the cargo it is carrying?

13 A Right. Because what you are doing is you are  
14 trying to establish your credibility with these people  
15 in the movement of cargoes. It is a highly competitive  
16 business.

17 Q But I take it that it is important to any cargo  
18 company to know the nature of the cargo it is carrying,  
19 isn't that right?

20 A Yes.

21 Q And you said that unusual cargo would prompt  
22 a requirement to get in touch with headquarters.

23 A Yes.

24

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1 Q Do you place in the category of unusual cargo  
2 military weapons, armaments, et cetera?

3 A Unusual-type armaments, I would say, yes.

4 Q Would missiles be unusual-type armaments?

5 A Yes, it would be.

6 Q Would black powder be unusual-type armaments?

7 A Not really.

8 Q Other than this August, 1985, flight [REDACTED]

9 [REDACTED] to Iran and the November, '85, flight, that is  
10 the prime reason we are here, are you aware of any other  
11 flights by [REDACTED] into Iran in 1985?

12 A I can't recall any.

13 Q You can't be certain that there weren't others,  
14 though, is that right?

15 A We are looking back along time, but I don't  
16 think there were any others. '85 -- this is '87, yes.

17 Q I take it that you were aware of the nature of  
18 the cargo on the August, '85, flight [REDACTED] to Iran,  
19 is that right?

20 A No.

21 Q You don't know what the cargo was?

22 A I don't recall the specifics of the flight.

23 I told you that. The black powder business came up, you  
24 know, in -- when they were doing all the research, you  
25 know, afterwards.

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(Exhibit No. [REDACTED] was  
marked for identification.)

THE WITNESS: That was 14, 15 months later.

BY MR. CAROME:

Q [REDACTED] I am placing before you what has  
been marked as Exhibit 1. It is a memorandum dated  
August 26, 1985. I ask if you recognize what that document  
is.

A I will --

Q Just for the record, large portions of it have  
been deleted.

A No, I don't recognize what it is.

Q It states, "Our 707 made the flight [REDACTED]  
[REDACTED] to Tehran 13 August and" --

A Is that an activity report?

Q I believe it is.

A Oh, okay. Yes, I do recognize it.

Q And --

A I presume I would have seen that, but I don't  
specifically recall it.

Q All right.

It says that "the cargo was reported to be  
30-ton smokeless powder and detonators [REDACTED]  
[REDACTED]

Does that refresh your recollection as to what

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1 had been carried on that flight?

2 A By reading that, I presume that is correct,  
3 but --

4 Q You don't have a --

5 A It refreshes my recollection because I read it  
6 right here.

7 Q You don't have an independent recollection of  
8 what that cargo was?

9 A No. But I learned of the specific cargo, or  
10 I recall the specific cargo when we were -- when [REDACTED]  
11 and everyone else was researching in November of when it  
12 would have been, November, '86.

13 Q I see. I take it that when the --

14 A I would not have recalled it unless I'd seen  
15 it. Because you got thousands of things, you know, many  
16 thousands of things that happened in the meantime. But if  
17 that is in the activity report, that is fine.

18 Q I take it that when the flights to Iran became  
19 public in November, '86, you were asked by someone to look  
20 into [REDACTED] involvement in covert flights to Iran,  
21 is that right?

22 A I wasn't working in [REDACTED]

23 Q You were not?

24 A No, sir.

25 Q But you were asked to provide some facts on the

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1 subject, is that right?

2 A Well, I gave testimony to our inspector general's  
3 staff, in a formal interview to the FBI, and testimony  
4 before the Senate -- what do you call that?

5 MS. HUGHES: SSCI.

6 BY MR. CAROME:

7 Q You have before you some handwritten notes.  
8 Can you tell me what those are?

9 A Those are notes I made prior to -- it would have  
10 been in early December, '86, prior to testifying before  
11 the Senate committee she just mentioned.

12 Q And I take it you have used those notes to  
13 refresh your recollection --

14 A That is all I have.

15 Q -- for today, is that right?

16 A That is right.

17 Q Can we take a look at those notes?

18 A Sure.

19 MS. HUGHES: No. We will have to object to  
20 that. We will have to process them as we process any  
21 requested document through the Agency.

22 MR. CAROME: Let's go off the record for a  
23 second.

24 (Discussion off the record.)

25 MR. CAROME: Let's go back on the record.

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1 THE WITNESS: Help yourself.

2 MR. CAROME: Just for the record, we have been  
3 given access to [REDACTED] handwritten notes and are taking  
4 a look at them.

5 THE WITNESS: The notes were prepared in December  
6 of 1986 prior to testifying before the SSCI. Is that what  
7 it's called?

8 MS. HUGHES: Yes.

9 MR. WOODCOCK. In drafting these notes,  
10 [REDACTED] did you use any documents on that?

11 THE WITNESS: No, sir.

12 MR. WOODCOCK. You relied only on your memory  
13 as it was at the time; is that correct?

14 THE WITNESS: It was to give me some sort of  
15 chronological sequence in testifying.

16 MR. WOODCOCK: But you created them only by  
17 reference to your memory; is that correct?

18 THE WITNESS: That is correct.

19 MR. WOODCOCK: Have you since then had opportunity  
20 to check your memory against any documents that may have  
21 been created about that time?

22 THE WITNESS: I have no desire to.

23 MR. WOODCOCK: I understand that, but did you?

24 THE WITNESS: No.

25 MR. WOODCOCK: Okay.

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1 BY MR. CAROME:

2 Q I think we will ask you some questions about  
3 these notes at a later point.

4 What I would like to do now is turn our  
5 attention to the November, 1985, flight. Could you please  
6 tell me when you first heard about the need to perform the  
7 flight and what happened after that point? If you could  
8 just narrate the story essentially.

9 A Sure. I received a call Friday afternoon, late  
10 Friday afternoon, November -- I don't know what the  
11 actual date in November was, but that is a matter of  
12 record, I am sure.

13 MR. WOODCOCK: That would be 11/22.

14 THE WITNESS: Twenty-two November, that would  
15 be right, from Dewey Clarridge's office, who was at the  
16 time chief of European division saying he wanted to talk  
17 to me.

18 MR. WOODCOCK: Whom you say you received a call  
19 from Dewey Clarridge's office, is that Dewey Clarridge  
20 himself?

21 THE WITNESS: No, he wasn't that. It was just  
22 someone making the call.

23 BY MR. CAROME:

24 Q His secretary?

25 A No, it was someone sitting in up there, but --

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1 Q Who was that?

2 A I don't really know -- I'm not really sure who  
3 it was, but it was immaterial, it was just relaying a, you  
4 know, "Mr. Clarridge wants to see you."

5 Q Then what happened?

6 A I went up to his office, cigar smoke and all  
7 that sort of stuff, if you know him, and he said that we  
8 had a very sensitive mission in the Middle East and we need  
9 a 747 aircraft right away and of course you don't pull 747  
10 aircraft out of the sky, particularly into the Middle East,  
11 and so I said, "Well, we'll see what we can do," and I  
12 went back down and very quickly, and in conferring with  
13  we very quickly determined that it was highly  
14 unlikely that it would be possible to get a commercial 747  
15 for lots of reasons, insurance, war zones, you know, things  
16 like that. You just don't charter an aircraft into the  
17 Middle East without a lot of preparation.

18 So we went back up and said, "Look, we can't do  
19 this, Dewey, but we might be able to get a 707 from our  
20  proprietary."

21 He gave me some cargo dimensions and we checked  
22 to see if that type -- if that size cargo would fit on a  
23 707 and then sort of closed for the day. I kind of thought  
24 it would go away as these things usually do, these sudden  
25 requests.

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1                   Then the next morning I came in and --

2                   Q   When you say "came in," came in to [REDACTED]

3                   is that right?

4                   A   Came into the office. And unfortunately I forget  
5                   how I got the word, but Dewey was kind of sitting there  
6                   waiting for me up in his office and with him in the office  
7                   were North, a gentleman by the name of Allen.

8                   Q   What is his first name?

9                   A   Charles Allen.

10                  Q   All right.

11                  A   And a third person whom I don't know.

12                  Q   You did not recognize the person at the time?

13                  A   No.

14                  Q   And you have not since learned who that was?

15                  A   I have asked. He has a deformed back. I've seen  
16                  him around the Agency but I just don't know him. I think  
17                  he is from the DI side.

18                  Q   And --

19                  A   He didn't seem to play a role, but he was there.

20                  Q   And have you ever heard his name or learned his  
21                  name?

22                  A   No.

23                  Q   Please continue.

24                  MR. WOODCOCK: Do you know who he is?

25                  MS. SUGRES: I have no idea.

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1 MS. McNEIL: I don't know who he is either.

2 MS. HUGHES: I don't know any deformed-back  
3 people.

4 BY MR. CAROME:

5 Q Just so we have a sense of time frame here, what  
6 time was it that you went up to this meeting?

7 A About 10:30 in the morning.

8 Q If you could continue the story from there.

9 A Yes. Initially, the flight was supposed to go  
10 [REDACTED] to Tel Aviv.

11 MR. WOODCOCK: Who is telling you this?

12 THE WITNESS: Well, this is Dewey, but they are  
13 all sort of discussing it. A lot of confusion.

14 And sometime during the course of the early  
15 afternoon, I would say, it came out that the final desti-  
16 nation was to be Tehran and I immediately realized that  
17 we were dealing with a type of flight which would require  
18 approval way above me and I asked Dewey if he had approval  
19 from the director of operations. And he said the director  
20 of operations was out of town and he would get in touch  
21 with the acting deputy -- the acting director of operations.

22 MR. WOODCOCK: I don't want to lose you here, but  
23 we have to be careful to keep events separate. As I under-  
24 stand your testimony, when you first go into Clarridge's  
25 office approximately 10:30, the group of people that you

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1 described was present and some information was given to  
2 you about [REDACTED] Tel Aviv and then I think you testified  
3 that later that afternoon, you learned that Tehran was the  
4 ultimate destination; is that correct?

5 THE WITNESS: Yes.

6 MR. WOODCOCK: All right. What I would like you  
7 to do is if you could tell us first what happens in the  
8 morning meeting and then what happens after you learn that  
9 Tehran is the final destination.

10 THE WITNESS: In the morning meeting there was  
11 just a lot of confusion going on. They are trying to, you  
12 know, there is a problem transiting [REDACTED] they  
13 decided they are going to go through Tel Aviv and then at  
14 some point during this time, which was roughly from 10:30  
15 to 2:00 in the afternoon, it came out that the final  
16 destination was -- through little bits and pieces coming  
17 out all the time -- was to be Tehran.

18 BY MR. CAROME:

19 Q Let me try to understand the scene. Are you  
20 spending that morning and early afternoon actually in  
21 Mr. Clarridge's office?

22 A In and out of Clarridge's office and I am just  
23 sort of sitting in the corner while they sort of get  
24 things straightened out.

25 Q And what was the confusion over that morning?

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1           A     Lots of confusion. They -- it was obvious that  
2 this thing had been put together very quickly.

3           Q     Why was that obvious?

4           A     Because they were trying to pull pieces together.  
5 That is just a speculation on my part, but it certainly did  
6 not appear to be something that was well planned. It is  
7 a sort of thing that was thrown together, it appeared to  
8 me, at the last minute.

9           Q     I take it there were cables being sent back and  
10 forth?

11          A     I didn't see any cables.

12          Q     You saw no cables?

13          A     No.

14          Q     Were you going back and forth between Mr.  
15 Clarridge's office and [REDACTED] at that time?

16          A     Yes.

17          Q     How far apart are those two places?

18          A     Ten minutes.

19          Q     How many trips do you think you made back and  
20 forth that morning?

21          A     I have no idea, but I spent a good part of the  
22 morning in his office and a good part of the afternoon  
23 actually.

24          Q     And was North there the whole time?

25          A     I think so, just about the whole time.

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1 Q Was Allen there the whole time?

2 A Just about the whole time.

3 Q Was this person with a back problem there the  
4 whole time as well?

5 A In and out.

6 Q Did anyone else come in and out during that day?

7 A I don't specifically recall; but not for a long  
8 period of time.

9 Q Why don't you pick up the story there, I guess at  
10 noontime or whatever, when the subject of possibly going  
11 to Tehran comes up and tell us what happened from there?

12 A I was concerned because I realized that this has  
13 more than just a normal-type flight overtones, so I wanted  
14 to make sure that we had the right authority within the  
15 directorate of operations.

16 Q What did Clarridge do on the subject of DO or  
17 ADDO approval?

18 A I asked him a second time and later on, and he  
19 said, "Yes, I do have ADO approval." Frankly, that was my  
20 primary concern.

21 Q Who was the ADDO at that time?

22 A Juchniewicz.

23 Q And then what happened?

24 A Arrangements were -- I was conferring all the  
25 time with [REDACTED]

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1 Q Was [REDACTED] in [REDACTED] on that Saturday?

2 A He was mostly down at [REDACTED] yes.

3 Q He was in that whole day?

4 A No, I don't know how long. But he was there and  
5 then he was at one type thing, but we were talking by tele-  
6 phone. That -- at one point I might add, since it is on  
7 my notes here, I guess, that a call was made to [REDACTED]

8 Q Do you know what time that call was made [REDACTED]  
9 [REDACTED]

10 A Sometime in midday roughly

11 Q Who made the call?

12 A Clarridge, because they wanted to use, consider  
13 [REDACTED] as a transit point for the aircraft.

14 MR. WOODCOCK: Do you know who he was calling

15 [REDACTED]  
16 THE WITNESS: I think he was calling [REDACTED]  
17 [REDACTED] but I wasn't part of the conversation.

18 BY MR. CAROME:

19 Q Do you know what response he got?

20 A No, I was just sitting in the corner. But we  
21 didn't go [REDACTED] so it must not have been positive.  
22 Then I sort of went home and I tried to reach my immediate  
23 boss, [REDACTED] and he had just taken over.

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1 Q What time did you go home?  
2 A I went home around 2:00 o'clock in the afternoon.  
3 Q When you got home --  
4 A Give or take a couple hours. I didn't keep a log,  
5 obviously.

6 MR. WOODCOCK: When you left North, Allen, and  
7 the fellow with the deformed back, they and Clarridge  
8 were still there?

9 THE WITNESS: I don't know how many people were  
10 still there, but Clarridge was still there.

11 BY MR. CAROME:

12 Q And North was still there?

13 A I can't say, sir.

14 Q And was ~~REDACTED~~ still there when you left?

15 A I can't say that specifically. I would think he  
16 probably went home, but I don't know.

17 Q I think you were about to tell us when you got  
18 home you attempted to make a phone call to ~~REDACTED~~  
19 is that right?

20 A Yes, I tried to reach him a number of times  
21 because I didn't want him to be surprised. People don't like  
22 to be surprised by things. I was not able to, because he  
23 just moved in and he was staying with a relative, and it was  
24 just one of those things.

25 Sunday morning I was able to reach the head of the

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28

1 division, [REDACTED] boss, [REDACTED]

2 Q What time was that?

3 A That was about 10:00 or 11:00 o'clock Sunday  
4 morning.

5 Q And what did you say to him and what did he say  
6 to you in that conversation?

7 A He had exactly the thoughts I had. I told him  
8 of the flight, and he said, "Well, was the DO informed,"  
9 and I said, "The ADO has been informed," and he was  
10 relieved.

11 And secondly, we talked about the safety and  
12 security of the flight.

13 Q What did you tell him about the flight?

14 A I, you know, outlined the fact that it would be  
15 going into Tehran and obviously was going to be -- there were  
16 some safety concerns, primarily because of the -- it is hard  
17 to tell, you know, the reaction of the Iranians, and we  
18 were -- we discussed that, obviously, and that was  
19 essentially it.

20 Q What did you tell him about what the flight was  
21 doing?

22 A I told him that it was on a sensitive mission into  
23 Tehran.

24 Q What did you say the flight was carrying?

25 A Nothing.

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29

1 Q At that point, did you know what the flight was  
2 carrying?

3 A No.

4 Q What had you been told about the cargo?

5 A Just the dimensions of the cargo, and you don't  
6 ask unnecessary questions when it comes out of the White  
7 House. I presume it was something sensitive, obviously;  
8 they wouldn't be doing it otherwise.

9 Q Had you been told that the cargo was oil drilling  
10 equipment?

11 A No, I had not, as a matter of fact.

12 Again, I want to say that I am working on memory,  
13 and, you know, I --

14 A Just so we have a clear idea of what your  
15 testimony is, I take it that you have a firm recollection  
16 that you didn't know anything about the equipment on that  
17 Saturday and Sunday?

18 A That is right.

19 Q Other than the weight and dimensions, is that  
20 right?

21 A That is right.

22 Q You have a firm recollection of that.

23 A I have a firm recollection of that.

24 Q Why don't you --

25 A But I wasn't focusing on that. I would have

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30

1 focused on something if we were carrying something that  
2 were a hazard to the aircraft or something like that -- then  
3 I would have focused on it, but I wouldn't have focused on  
4 something that wouldn't have been.

5 Q We are going to end up going back and asking you  
6 particular questions, but it might be helpful to get the  
7 bulk of the story out.

8 A Sure.

9 Q You talked -- what was the upshot of the  
10 conversation with [REDACTED] that morning?

11 A He thanked me for briefing him, essentially.

12 Q And that was simply a question of bringing him  
13 up to speed on what was happening?

14 A Yes, because I didn't want him to get a call from  
15 somebody saying, hey, this is happening -- people don't like  
16 that.

17 Plus, I wanted to make sure that my immediate  
18 <sup>e</sup>superior was aware.

19 Q What happened next?

20 A I essentially went home, and there were a lot of  
21 phone calls --

22 Q Just to be clear, did you go into work on that  
23 Sunday?

24 A I went in Sunday morning, because I was trying to  
25 track down [REDACTED]

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1 Q And is that where you called him from?

2 A No. He came in to check the latest cables. It  
3 was a hot weekend. There was something else going on that  
4 weekend, but I don't recall.

5 Q So, you saw [REDACTED] that day?

6 A I saw [REDACTED] in his office, yes, that Sunday  
7 morning.

8 Q Did you do anything else in the office that  
9 Sunday morning?

10 A I don't recall anything else.

11 Q Did you see Clarridge?

12 A No, I think I talked to Clarridge on the  
13 telephone, but --

14 Q Where was he?

15 A I think he was probably at home.

16 Q Did you see North?

17 A No.

18 Q Did you talk to North?

19 A No.

20 Q What else happened that Sunday?

21 A That is essentially it. There were a lot of phone  
22 calls back and forth, and essentially, the details of the  
23 flight were ironed out.

24 Q Who were the phone calls between?

25 A Dewey and [REDACTED] the [REDACTED] as I know of, I talked ..

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1 to Dewey a number of times, just ironing out the details of  
2 the flight.

3 Q And what were the details being ironed out?

4 A Well, as I recall, I think the flight departed  
5 Tel Aviv [REDACTED] probably sometime on Sunday, and then  
6 departed [REDACTED] for Tehran probably  
7 sometime Sunday evening.

8 Q Some of those phone calls were while you were at  
9 headquarters, and some of those phone calls were while you  
10 were at home; is that right?

11 A A large majority of them were while I was at  
12 home.

13  
14  
15  
16  
17  
18  
19

20 Q What happened the rest of the day Sunday on this  
21 matter?

22 A Nothing.

23 Q And then what happened next?

24 A The flight took place.

25 Q And what happened on the following Monday with

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33

1       respect to this flight?

2               A     As regards myself? Essentially nothing. We were  
3       very relieved. I think we knew probably Monday afternoon  
4       that the flight had been successfully completed and the  
5       aircraft was back, and that was about it, as I recall.

6               It was another page in history, and you go on to  
7       the next thing.

8               Q     Why don't we go back over this with specific  
9       questions?

10              A     Okay.

11              Q     In the first phone call from Clarridge on  
12       Friday afternoon, what did Clarridge say needed to be done?

13              A     He didn't say anything. He said it to me in his  
14       office.

15              Q     He brought you up to his office?

16              A     Yes.

17              Q     And what did he say needed to be done?

18              A     There was a very sensitive mission in the Middle  
19       East, and I think he said he had just come back from the  
20       White House, and he needed a 747.

21              Q     Did he say who he had been in touch with at the  
22       White House?

23              A     No.

24              Q     Did he mention the National Security Council?

25              A     I don't know.

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1 Q Did he say why the mission was sensitive?

2 A No.

3 Q Did he say what -- I take it he said that some  
4 cargo needed to be moved from one place to another; is that  
5 right?

6 A That is right.

7 Q Did he say what the point of origin was of the  
8 cargo?

9 A No, not at that time.

10 Q Did he say the destination at that time?

11 A No.

12 Q You just knew that either the origin or  
13 destination would involve the Middle East; is that right?

14 A Middle East, which meant complications.

15 Q But he didn't mention Iran, did he?

16 A Not at that time, as I recall.

17 Q And did he mention the fact that all of this was  
18 to be done in connection with an effort to get hostages  
19 out?

20 A No.

21 Q How long did that first conversation of  
22 Mr. Clarridge's office last?

23 A On Friday?

24 Q Yes.

25 A Five minutes, maybe.

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1 Q Was anyone else present?

2 A I don't think so, but I don't specifically recall.

3 Q Did -- just so it is clear, when you start to  
4 deal with a division chief like that, do you have any  
5 requirements to check with your direct superiors before you  
6 start dealing with someone like Mr. Clarridge?

7 A It depends on the circumstances. There is no  
8 requirement to. If there is something firm, I probably  
9 would. I think I probably tried to get a hold of my office,  
10 but on Friday it was very nebulous. As I said, I kind of --  
11 based on my experience, thought it would go away overnight.  
12 They usually do.

13 Q Did you make any efforts or did <sup>S</sup> make  
14 any efforts that Friday to try to locate a suitable 747?

15 A You know, I am not sure. I think we might have  
16 made a half-hearted effort and then said, hey, they are  
17 never going to rent this to us because of insurance and all  
18 that sort of stuff, and we didn't have specifics of the  
19 mission.

20 You know, I can't say that specifically, because  
21 I just don't know. But it was just a passing thing.

22 Q But I take it that Clarridge's first question to  
23 you in that meeting was, "Find us a 747," is that right?

24 A That is true.

25 Q Did he give you the nature of the cargo in that

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1 conversation?

2 A No. No.

3 Q Did he tell you the dimensions?

4 A Yes, the dimensions, but where we went back and made  
5 the suggestion that we could use a 707, which is a smaller  
6 airplane, as you know.

7 Q Whose suggestion was that?

8 A To use the 747?

9 Q To use a 707.

10 A Ours - [REDACTED]

11 [REDACTED]  
12 [REDACTED]  
13 [REDACTED]  
14 [REDACTED]  
15 Q So, I take it -- did you, before going back to  
16 Clarridge with the 707 selection, find out the  
17 availability of the [REDACTED] plane or planes?

18 A I don't know the sequence, but, yes, somewhere  
19 in there we obviously checked on the availability.

20 Q And I take it you went back and had a second  
21 meeting with Mr. Clarridge that Friday evening; is that  
22 right?

23 A Either that or a phone call, I don't remember  
24 which.

25 Q That was to check whether the [REDACTED] 707 would

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1 be adequate; is that right?

2 A Yes, yes.

3 Q What happened in that phone call?

4 A I don't think there was a firm decision made.  
5 There might have been, might have been.

6 Q Is it your recollection that that was the last  
7 thing that happened that Friday, was you suggested the  
8 707 and went home?

9 A Yes. There could have been some phone calls  
10 Friday evening, but I just don't recall. The real  
11 specifics do not begin until Saturday morning. And there  
12 also could have been some pre-planning about pre-positioning  
13 the aircraft, but I can't recall that. I didn't do that  
14 personally.

15 Q Could you mark that as Exhibit 2?  
16 (The document marked Exhibit No. [REDACTED] 2 follows:)

17 \*\*\*\*\*COMMITTEE INSERT\*\*\*\*\*

18 Q [REDACTED] I show you what has been marked as  
19 Exhibit 2. We know from a previous deposition which we have  
20 done that that is the handwritten notes of [REDACTED] <sup>PO</sup>  
21 made starting that Friday on November 22.

22 It says that 1600 hours -- that is, I gather,  
23 4:00 p.m. --

24 A 4:00 p.m.

25 Q [REDACTED] called [REDACTED] the availability of

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1 bulk 707s to move high priority cargo, and there are  
2 weights and dimensions.

3 A That would have been the call on Friday, sure.

4 Q If you look further down that page, there is a  
5 time. It is hard to read, but I believe that it is 1730 to  
6 1800, which would be 5:30 to 6:00 o'clock that evening --  
7 finally, approval was given, and I was advised that  
8 Richard Copp would be contacting [REDACTED] about 2000  
9 hours. This did happen.

10 What these notes seem to suggest is that a final  
11 decision was made that Friday evening to bring the [REDACTED]  
12 plane into it and put it in contact with Richard Copp.

13 Does that refresh your recollection as to whether  
14 or not more happened that Friday evening?

15 A I have no problems with that. That is probably  
16 the case.

17 Q So --

18 A Yes.

19 Q So, you believe that that is the way it  
20 transpired, then?

PO

21 A Well, I can't question if those are [REDACTED]  
22 notes -- I have no problems with that. It was either Friday  
23 night or Saturday morning, and as I said, the aircraft had  
24 to be pre-positioned, so it could well have been. I have  
25 no problems with that.

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1 Q Did you talk to [REDACTED] that Friday?

2 A I don't think I personally did. I think it was  
3 probably [REDACTED] but, again, I can't be sure about that.

4 Q Someone apparently advised [REDACTED] that a  
5 Mr. Copp would be contacting [REDACTED] Do you know where  
6 that information came from?

7 A Yes, I have that right in my notes here. That  
8 came from Dewey, but I am a little confused on the time  
9 sequence here.

10 Q You are not sure whether it was Friday evening or  
11 Saturday morning; is that right?

12 A Yes, yes. I would have thought it was Saturday  
13 morning, to be honest with you.

14 Q But you do recall Mr. Clarridge providing the Copp  
15 name; is that right?

16 A Yes.

17 Q And --

18 A I am really not sure whether Clarridge provided  
19 it or North provided it. It was one of the two. That is  
20 the reason I think it was Saturday morning. But it could  
21 have been Friday, you know.

22

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Johnson/drg  
Page #2  
2:00 p.m.

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1 BY MR. CAROME:

2 Q Do you recall whether on that Friday evening there  
3 was any attempt to check whether there was DO or ADDO  
4 approval for this activity?

5 A I asked Clarridge.

6 Q I am speaking particularly of Friday evening.

7 A Friday evening, I don't think so. Because,  
8 understand a flight is a very nebulous thing, and these things  
9 happen all the time. They usually don't come to pass.

10 Q Did you know on Friday evening North was involved?

11 A No.

12 Q The first you know of that aspect of the operation?

13 A I knew it came out of the White House, but you have  
14 to understand Dewey. Everything is a big deal.

15 Q Do you recall any discussions on that Friday about  
16 how the mission was to be financed?

17 A No.

18 Q No discussion about who was to pay [REDACTED] to  
19 do the mission?

20 (Witness shaking head.)

21 BY MR. CAROME:

22 Q You are shaking your head.

23 A I am sorry, to the best of my knowledge, that was  
24 not discussed. It could have been. It doesn't stick in my  
25 mind.

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drg-2

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1 Q It appears that by the time Friday evening was up  
2 that a firm decision had been made to have [REDACTED] perform  
3 this flight.

4 A Well, a firm decision had been made to preposition  
5 the aircraft, if indeed those notes of [REDACTED] <sup>PO</sup> are  
6 correct.

7 MR. CAROME: Could you mark this as our next  
8 exhibit.

9 (The document was marked as Exhibit No. [REDACTED] 3 for  
10 Identification.)

11 BY MR. CAROME:

12 Q I am placing before you what has been marked as  
13 Exhibit 3. For the record, that is a memorandum dated  
14 November 30, 1985. We have been told that this is a report  
15 from [REDACTED] <sup>M</sup> to [REDACTED] <sup>PO</sup> on the November, 1985  
16 flight to Iran. Have you seen that document before?

17 A I don't think so.

18 Q In the first paragraph or first section of that  
19 memorandum, it states that Copp had gotten in touch with him  
20 that evening. Did you know that evening that Copp had  
21 contacted [REDACTED] <sup>M</sup>

22 A I don't know.

23 Q It also states Copp told him that --

24 MS. MC NEIL: Excuse me. What evening?

25 THE WITNESS: Friday

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1 MR. CAROME: That is right.

2 THE WITNESS: I don't know, but I have no reason  
3 to doubt this.

4 BY MR. CAROME:

5 Q It also says Copp explained that three flights had  
6 to be done government-to-government from Tel Aviv [REDACTED]  
7 Did you know that that was the original plan on that Friday  
8 evening?

9 A Well, as I said, they were originally planning to  
10 go through [REDACTED] this was part of -- whether I knew  
11 this Friday evening? I don't know.

12 Q When you say they were planning to go through  
13 [REDACTED] what do you mean?

14 A Transit for refueling purposes on their way to  
15 wherever they were going.

16 Q What did you know that Friday evening about what  
17 the ultimate destination was?

18 A I didn't know.

19 Q Did you know what the point of origin was?

20 A I don't know. I don't think so. I am not sure.

21 Q The final section of this part 1 of this Exhibit 3  
22 indicates that [REDACTED] questioned whether the cargo  
23 that was described to him by Mr. Copp was the same as the  
24 cargo of munitions that had been described to him earlier.  
25 Were you aware that [REDACTED] was in the room during that

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rg-4

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1 weekend that ~~██████████~~<sup>m</sup> had raised the question of whether  
2 this cargo was military equipment or munitions or armaments?

3 A I don't think I was, but it is a normal question  
4 for him to raise because he is going to have to carry it on  
5 the airplane.

6 Q That would be something important for him to know,  
7 right?

8 A Yes.

9 Q Isn't that something that would also be important  
10 for you to know, what the cargo would be?

11 A At that point in time, I really wasn't concerned  
12 about it. I presumed it was sensitive cargo, I presumed it  
13 was very high priority.

14 Q Is it your testimony that at the time, throughout  
15 the entire period, you never learned anything more about what  
16 the cargo was than its weight and dimensions, is that correct?

17 A That is correct.

18 Q When did you first learn that the cargo was  
19 missiles?

20 A I would say -- well, first of all, I would like to  
21 say I wasn't focusing on that. I was more concerned about  
22 the details of the operation of the flight and, frankly, more  
23 concerned to make sure my superiors were aware of the flight,  
24 which they were. I don't think that specifically we were  
25 ever informed of the exact nature of what was on the

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1 aircraft.

2 Now, at some time, you know, a couple months later,  
3 I think, people generally assumed that is what the flight  
4 was; that is because of things that happened later on.

5 Q What was that?

6 A They shipped additional, the same type of cargo at  
7 a later time.

8 Q It wasn't until these later shipments that there  
9 was any suggestion that it had been missiles on the November  
10 flight?

11 A Not that I was aware of, but I wasn't focusing on  
12 it. I am worried about a thousand things at a time. You  
13 go from one operation to another, and that is finished. You  
14 know -- your next question is probably, there was a meeting  
15 in, I think it was Mr. McMahon's office on Monday or Tuesday  
16 of the next week.

17 Q What do you know about that meeting?

18 A I wasn't present.

19 Q Do you know anything about that meeting?

20 A No, I wasn't present.

21 Q Had you ever been involved in an [REDACTED] mission  
22 involving the White House before this time?

23 A Not specifically. I don't think so, not that I  
24 can recall.

25 Q Had you ever met Mr. North before?

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drg-6

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- 1 A Never met him.
- 2 Q Did you know who he was?
- 3 A Heard of him.
- 4 Q You knew he was an official from the National
- 5 Security Council, is that correct?
- 6 A That is right.
- 7 Q I take it this must have been a highly unusual
- 8 event to have someone from the White House, NSC, at
- 9 Clarridge's house working on a flight, is that right?
- 10 A I presumed it was a very important flight obviously.
- 11 Q During the time you were together with Mr. Clarridge,
- 12 Mr. North and the others on that Saturday, wasn't there some
- 13 discussion about what it was the flight was carrying?
- 14 A If there was, I wasn't part of it. Bear in mind
- 15 I wasn't focusing on that.
- 16 Q If something was said about it in the room, you
- 17 would have heard it, right?
- 18 A Probably. If I had been in the room.
- 19 Q You were in the room for a good part of that day,
- 20 right?
- 21 A A good part of that day.
- 22 Q Did you talk to [REDACTED] at all on that Friday
- 23 evening, the 22nd?
- 24 A I don't recall.
- 25 Q You might have, but you don't remember?

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- 1 A I might have. PO
- 2 Q Did you talk to [REDACTED] on Saturday? S
- 3 A The primary contact on Friday was from [REDACTED]  
4 to [REDACTED] PO and I don't think I got involved, but it is  
5 possible.
- 6 Q Did you talk to [REDACTED] PO on Saturday?
- 7 A Possibly Saturday night, certainly on Sunday.
- 8 Q I take it that essentially Mr. Clarridge was saying  
9 what needed to be done, and you were passing that information  
10 on, is that right? S
- 11 A I was normally passing it on to [REDACTED] and he  
12 was passing it on to [REDACTED] PO who was passing it on to  
13 the proprietary.
- 14 Q Was it unusual for you to go into the office on  
15 that Saturday morning? Would you have gone in if it were  
16 not for this operation?
- 17 A Maybe. I went in probably every second Saturday.
- 18 Q Did the subject of the plane possibly -- let me  
19 rephrase that question. Was there any discussion at all  
20 over the weekend about the plane possibly going to Tabriz  
21 rather than Tehran?
- 22 A That rings a bell.
- 23 Q What do you recall about that?
- 24 A I recall very vaguely that the original destination  
25 was discussed as Tabriz. That is, as a matter of fact, what

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dry-8

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1 I thought it was ~~Sunday morning~~.

2 Q Can you shed any light on the decision to go to  
3 Tehran instead of Tabriz?

4 A No.

5 Q Do you recall Tabriz coming up during the Saturday  
6 discussion?

7 A Not specifically. But it probably did.

8 Q You have a recollection then, as of Sunday morning,  
9 it was your understanding the destination was to be Tabriz,  
10 is that right?

11 A Yes, only a recollection. But it does ring a bell.

12 Q Do you know who you would have gotten that informa-  
13 tion from?

14 A Clarridge.

15 Q I take it, the very notion of taking a [REDACTED]  
16 plane into Iran was a very surprising and unusual event. Is  
17 that right?

18 A I wouldn't call it surprising. I would call it  
19 out of the ordinary. [REDACTED]  
20 [REDACTED]

21 Q Were you surprised at the time the U.S. Government  
22 would be putting a CIA proprietary plane into Iran?

23 A I wasn't focusing on the policy. That is one reason  
24 I was very happy that the Acting Director of Operations ap-  
25 proved of the flight. I obviously wouldn't approve on my own.

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lrg-9

1 Q I am looking at your handwritten notes from  
2 December, 1986, and I see a reference here, "Call to  
3 Poindexter by North." Can you tell me what that refers to?

4 A He made a call, and I can't say specifically it  
5 was Poindexter. He referred to him in terms I presumed he  
6 was. I gathered, and again I was a little bird sitting in  
7 the corner, that this was concerning getting his, his being  
8 the man I presumed but I didn't talk to him or hear his  
9 voice or anything, was Poindexter's approval for the  
10 operation, for the flight.

11 Q When did that call take place?

12 A Sometime between 10:30 and 2:00 o'clock in the  
13 afternoon on Saturday, roughly.

14 Q The reason you understood it to be Poindexter is  
15 North appeared to be talking to him in --

16 A He referred to him in some kind of nautical terms.

17 Q He said Admiral?

18 A He might have said "the old man", or something like  
19 that. Again, I can't --

20 Q What did North say when he was on the phone with  
21 Poindexter?

22 A I didn't specifically hear the conversation. Came  
23 off the phone saying "The old man goes along with it", or  
24 something like that.

25 Q And what was it at that point approval was being

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1 sought for, do you know?

2 A I presume for the flight. Nobody asked me. I am  
3 just sitting there.

4 Q For the flight to Iran at that point? Was it  
5 clear the flight was to go to Iran?

6 A It probably was at that point. I don't know the  
7 exact chronology.

8 Q Referring to your handwritten notes, there are  
9 several points where there is a reference to a DW.

10 A That is Dewey.

11 Q Mr. Clarridge, is that right?

12 A Yes.

13 Q And then toward the top of the page, there is a  
14 reference that says "Saturday, 10:30 to 1400, DW's office."  
15 I take it that is the timeframe that you recollect being in  
16 Dewey Clarridge's office that day, is that right?

17 A Correct.

18 Q Then a couple lines further down, it says "changed  
19 [REDACTED] to Tel Aviv." Do you know what that means?

20 A Yes. The original transiting, according to the  
21 flight, was supposed to be [REDACTED]

22 Q Do you know what the original destination point was  
23 to be?

24 A No.

25 Q You understood it was the Middle East, is that

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1 right?

2 A Middle East, which would have made sense for re-  
3 fueling purposes.

4 Q Is it fair to say you thought the original plan  
5 was to fly a [REDACTED] plane from [REDACTED] to some point in  
6 the Middle East?

7 A Yes.

8 Q Did you understand there was going to be one or  
9 two [REDACTED] 707s involved?

10 A Originally there were supposed to be two.

11 Q Originally they were supposed to fly from [REDACTED]  
12 to a point in the Middle East, is that correct?

13 A That is right. My understanding, that is what I  
14 thought, yes.

15 Q When did you get that understanding, Friday evening  
16 or Saturday morning?

17 A I don't know.

18 Q It was one or the other?

19 A Yes.

20 Q At some point, then, the destination or the  
21 origin point for the plane or planes to go to is Tel Aviv,  
22 is that right?

23 A That is correct.

24 Q So then the plan then becomes to send two [REDACTED]  
25 planes to Tel Aviv, is that correct?

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1 A Correct.

2 Q Did you know where they were going to go from Tel  
3 Aviv?

4 A Not until sometime on Saturday.

5 Q Before the destination changed to Tehran, did you  
6 ever learn, was [REDACTED] ever suggested as a possible destina-  
7 tion?

8 A As a final destination?

9 Q Yes.

10 A I am not really sure. I don't think so.

11 Q Was there some discussion of possibly flying from  
12 Tel Aviv to [REDACTED] and then to a third point?

13 A I am not sure. That could well be. But I am  
14 just -- I just tried to reconstruct it. I remember it was  
15 switched from [REDACTED] because they had some sort of problems  
16 there. I don't know what they were.

17 Q Then your notes say, "Then learned final dest.  
18 Tehran." I take it at some point you were told not only by  
19 Clarridge that the final destination was to be Tehran, is  
20 that right?

21 A Right. Obviously, we had to be told, the crew had  
22 to know.

23 Q I take it this was a very chaotic morning?

24 A A very confused morning. They honestly, in my  
25 opinion, something had been cooked up pretty quickly. That

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1 is the impression I had.

2 Q Destinations are changing, is that right?

3 A Destinations were changing, we were called into  
4 it at the last minute, I gathered, because North couldn't  
5 come up with his own airplanes.

6 Q Was there any discussion about whether there had  
7 been earlier chartered air companies that were going to be  
8 involved, dropped out, and that is why [REDACTED] was being  
9 yanked in?

10 A Yes. There was discussion, indirect discussion,  
11 and they talked about -- I don't know whether that is in my  
12 notes or not. We talked about, I hate to say it, but this  
13 is just from very vague recollection, that [REDACTED]  
14 [REDACTED] or something like that.

15 Q What did they say about that that was the original  
16 carrier?

17 A I got the impression they were supposed to do the  
18 job, but for one reason or another, they couldn't. This is  
19 just reading between the lines type thing. Obviously, we  
20 were called in because nobody else could do it it appeared.

21 Q Did you know the number of pieces involved that  
22 needed to be moved?

23 A I think he gave us the number of pieces.

24 Q Does 80 sound like it may have been the number he  
25 gave you?

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- 1 A Whatever the records state. I don't know.
- 2 Q Does 80 sound like it is in the ball park?
- 3 A I wouldn't want to guess.
- 4 Q I believe the records indicate it was 80.
- 5 A Okay. I have no reason to doubt that, I just don't
- 6 know that.
- 7 Q If I could draw your attention to the top section
- 8 of the first page of Exhibit 2. It says [REDACTED] called
- 9 requesting availability of bulk 707s to meet high priority
- 10 cargo." Then it says, "80 pieces".
- 11 A Fine. I have no problems with that.
- 12 Q Do you recall whether or not there was an under-
- 13 standing, either late Friday or early Saturday, about how
- 14 many plane loads of cargo there was to be moved?
- 15 A Well, I just finished reading this, so that is the
- 16 problem.
- 17 Q When you say this, you are referring to Exhibit 2?
- 18 A Yes. The notes, which I think you referred to
- 19 something in there. If I recall, we positioned two air-
- 20 crafts, and I think they were talking about three maybe.
- 21 Q Three plane loads?
- 22 A Yes. I could be wrong.
- 23 Q There was certainly more cargo that could be fit
- 24 on one plane, is that right?
- 25 A That is the reason we were listing two planes.

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1 Q It might have taken more than two planes?

2 A It might have.

3 Q I take it the plan was originally, once [REDACTED]  
4 got involved, was [REDACTED] would move all that cargo to  
5 wherever the White House and NSC people wanted it moved, is  
6 that right?

7 A Yes.

8 Q Who do you recall talking about -- let me rephrase  
9 that question. We have surmised from other sources the  
10 original charter company may have been a company by the name  
11 of [REDACTED]

12 A That is probably correct.

13 Q Who do you recall mentioning [REDACTED]  
14 that weekend?

15 A It would have been either North or Dewey.

16 Q If I am understanding you, you are saying they were  
17 being talked about in the context as the airline that had  
18 originally been contracted to do what [REDACTED] was being  
19 asked to do, is that right?

20 A That was my understanding.

21 MS. McNEIL: Let's go off the record.

22 (Discussion off the record.)

23 MR. CAROME: Let's go back on the record.

24 BY MR. CAROME:

25 Q I have mentioned to you [REDACTED]

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1 Does that refresh your recollection that that was the cargo  
2 company that was mentioned during the weekend?

3 A Certainly a name very similar to that.

4 Q It was Clarridge, you recall, who mentioned a  
5 name similar to that?

6 A I would think it was either Clarridge or North, but  
7 I can't say specifically.

8 MR. WOODCOCK: You recall it was one or the other?

9 THE WITNESS: It had to be one or the other.

10 MR. WOODCOCK: It wasn't Charles Allen?

11 THE WITNESS: That would be remote.

12 BY MR. CAROME:

13 Q Do you specifically recall them saying this other  
14 company had been set up to do it and it fell through?

15 A Not in specific words, but the context was that  
16 way, yes.

17 Q Do you know when it was they had fallen through?  
18 Was it just recently they had dropped off?

19 A I would judge very recently, but that is pure  
20 speculation.

21 Q I take it what you would judge that from is the  
22 fact that [REDACTED] and [REDACTED] was being called in at the  
23 last minute, is that correct?

24 A Yes.

25 Q During that time, did North or Clarridge or anyone

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1 else say anything about efforts to get air traffic rights

2 [REDACTED]

3 A It was discussed, they had a problem.

4 Q What was said on that subject?

5 A Specifically, I don't recall. I wasn't part of it.

6 The original plan had been to use [REDACTED] and they couldn't

7 use [REDACTED] I think I read long after the fact [REDACTED]

8 [REDACTED] wouldn't let them. This was long after it happened

9 This is the problem reading newspapers and everything else.

10 Q At the time, were you aware Clarridge was making

11 efforts to get clearances [REDACTED]?

12 A Probably. I don't specifically recall, but

13 probably, yes.

14 Q Were you aware he was in touch with [REDACTED]

15 [REDACTED]

16 A No. Only [REDACTED] the only one I recall.

17 Q Do you remember any cables being drafted or pre-

18 pared on that Saturday to go out to anyone connected with this

19 operation?

20 A Cables being drafted, I didn't -- I don't know.

21 Q I take it you were in fairly close touch with [REDACTED]

22 [REDACTED] during the day Saturday, is that right?

23 A Yes.

24 Q Making phone calls from the office down to [REDACTED]

25 A Yes.

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lrg-18

1 Q Did you make phone calls to anyone else from  
2 Clarridge's office?

3 A Not that I can think of.

4 Q Perhaps to <sup>PO</sup> [REDACTED] I take it you may have called  
5 him?

6 A I wouldn't have called <sup>PO</sup> [REDACTED] directly. I don't  
7 think so. It is possible.

8 Q Were other people on the phone other than, I  
9 believe, you testified about a phone call from North to a  
10 person who seemed to be Poindexter, and were there any other  
11 phone calls other than that you recall being made during the  
12 day?

13 A The phone was ringing all day. That is the only  
14 specific one I recall, the one [REDACTED] and the one that  
15 appeared to be from North to his boss, his superior. There  
16 were all sorts of phone calls.

17 Q Can you tell us who else might have called that  
18 day?

19 A I don't know.

20 Q Was Clarridge on the phone with anyone that day?

21 A Certainly.

22 Q Do you know who he was speaking to?

23 A No.

24 Q As of that Saturday, were you aware of who this  
25 Mr. Copp was? Did you know it was Richard Secord?

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rg-19

1 A No, no.

2 Q Was Copp's name used during Saturday meetings?

3 A Yes, it was.

4 Q Who was he described as being?

5 A An Israeli.

6 Q He was described as an Israeli?

7 A That was my understanding. I have learned that  
8 from the newspapers a year later. And at that time I didn't  
9 know it, as a matter of fact.

10 Q What you are saying, as of the time you wrote  
11 these handwritten notes we have been referring to, which I  
12 guess you wrote in December, 1986, you didn't know Copp was  
13 Secord, is that correct?

14 A I did not.

15 Q [REDACTED] there is a reference here in your hand-  
16 written notes, I believe it says "Took U.S. registered  
17 aircraft off mission."

18 A Yes.

19 Q Could you tell me what that refers to and what it  
20 means?

21 A Yes. We had two aircraft in Tel Aviv. One was a  
22 foreign registered aircraft, and the other was a United  
23 States registered aircraft. We decided it was better, once  
24 we learned the destination, not to use the U.S. registered  
25 aircraft.

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- 1 Q Who decided that?
- 2 A I would say consensus.
- 3 Q Consensus among you, North, Clarridge?
- 4 A No, more from <sup>PO</sup> [redacted] and <sup>S</sup> [redacted] and myself and
- 5 Clarridge.
- 6 Q Clarridge concurred in that decision, is that right?
- 7 A I am sure he did, yes.
- 8 Q Did North weigh in on that decision?
- 9 A I don't recall.
- 10 Q Why didn't you want to take the U.S. plane to
- 11 Tehran?
- 12 A It didn't seem like a good idea if you had a
- 13 foreign registered aircraft.
- 14 Q I guess at that point it wasn't clear whether it
- 15 was going to Tabriz or Tehran, is that right?
- 16 A I presume not. I don't know when that changed.
- 17 Q Why specifically did you think it was better not
- 18 to take the U.S. registered plane to Iran?
- 19 A Iran is not our ally.
- 20 Q You thought that would present some danger to the
- 21 plane and crew, is that right?
- 22 A It is like waving a red flag in front of a bull is
- 23 all I can say. It is common sense.
- 24 Q I am reading again from your handwritten notes.
- 25 There are two lines. One says, "Again asked if AADO checked

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1 Dewey, yes", then below it says, "Also asked again, phone  
2 Saturday night."

3 A Yes.

4 Q What does that refer to?

5 A I asked him on Saturday if the Acting Director of  
6 Operations was aware, and he said yes. Having survived [REDACTED]  
7 [REDACTED] in the Central Intelligence Agency, I asked him  
8 again Saturday night, because believe me you want to be sure  
9 the people in real authority are aware, and I was satisfied,  
10 thank goodness.

11 Q It was extremely important to you, I take it, there  
12 be higher approval, is that right?

13 A Very. I am a responsible person, and you don't  
14 commit our resources on something like this without having  
15 our approval.

16 Q Did you not trust Clarridge when he told you the  
17 first time and that is why you asked a second time?

18 A I wanted to be very sure. And these notes, I  
19 emphasize that.

20 Q Yes. Again, referring to your handwritten notes,  
21 there is an entry that appears to say, "Talk about Copp  
22 proprietary contact in Tel Aviv." Did you understand this  
23 Mr. Copp was located in Tel Aviv?

24 A Yes. The agreement that Dewey made with North was  
25 that he would posture the proprietary as a commercial

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1 company we had gone out and chartered trying to protect the  
2 integrity of the proprietary. So the proprietary was to  
3 deal with Copp strictly as a business proposition.

4 Q And attempt to prevent Copp of learning of the CIA  
5 background of [REDACTED] is that right?

6 A Exactly.

7 Q Was there any indication that Mr. Copp was  
8 personally known by North?

9 A Well, yes. I think he kept referring to Copp, and  
10 I gathered he was a contact of North's in Europe.

11 Q There is an entry here a little bit further down  
12 the page in your handwritten notes. It makes mention of, it  
13 looks like Swimmer. What does that refer to?

14 A That is another name that came up quite frequently,  
15 sort of in the same context as Copp. They kept saying  
16 "Get a hold of Swimmer", and Swimmer was some guy in Europe.

17 Q Do you understand that --

18 A I thought in Europe.

19 Q Was it your understanding at the time that  
20 Clarridge and North were in telephone contact with either  
21 Copp or Swimmer? Were there any phone calls placed from  
22 Clarridge's office to those individuals?

23 A I think there might have been efforts, but I can't  
24 say that for sure.

25 Q What makes you think there might have been?

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1rg-23

1 A It seems logical.

2 Q They would have made such phone calls?

3 A Yes. There was obviously one heck of a lot of  
4 confusion, and I would have thought they would have  
5 probably tried to reach them, but I didn't hear any specific  
6 conversations.

7 Q It appears from other records that by 6:30 a.m.,  
8 Washington time on Saturday, the first [REDACTED] plane had  
9 already taken off [REDACTED] bound for Tel Aviv. Does  
10 that conform to your recollection of where things were going  
11 at that point?

12 A Roughly.

13 Q Was there any reference at all on that Saturday or  
14 around that same time to possible use of [REDACTED]

15 [REDACTED] in any part of this operation?

16 A Not to my knowledge.

17 Q You have no recollection of that?

18 A No.

19 Q Any recollection of possible use of DC-8 aircraft  
20 at any point in this operation?

21 A Yes.

22 Q What do you recall about that?

23 A It had to do with [REDACTED] we were  
24 talking about.

25 Q You understood that [REDACTED] was going

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1 to use DC-8s?

2 A That is my recollection.

3 Q Did you understand by the time [REDACTED] was  
4 involved [REDACTED] was no longer contemplated for  
5 use in any part of the mission?

6 A My presumption was they fell through, no one, I  
7 don't think, specifically said that.

8 Q At the point [REDACTED] was suggested as a  
9 transiting point, did you then understand what was going to  
10 happen was a plane was going to fly from Tel Aviv [REDACTED] to  
11 Iran?

12 A I can't tell you the chronology. Sorry.

13 MR. WOODCOCK: Do you recall [REDACTED]  
14 as being referred to as a possible transit point?

15 THE WITNESS: Possibly [REDACTED]

16 BY MR. CAROME:

17 Q Do you recall any discussion about a plane that  
18 had been chartered to carry the cargo from Tel Aviv [REDACTED]

19 A Not specifically, but it sort of makes sense when  
20 you reconstruct it. I think the idea probably was to cut  
21 Tel Aviv out of the operation.

22 Q To attempt to -- what you are saying is to insert  
23 another location in between and try to --

24 A This is all very vague in the back of my mind. I  
25 think this is the way I mentioned the last time I testified,

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1 and that was several months ago.

2 Q What you are saying, so the record is clear, is  
3 that there was an effort being made to disguise the fact that  
4 cargo was moving from Israel to Iran, is that right, and  
5 you would disguise that by inserting an intermediate destina-  
6 tion and using different planes, is that right?

7 A That is a supposition on my part.

8 BY MR. WOODCOCK:

9 Q Do you recall at any point on Saturday discussion  
10 about a plane actually taking off from Israel and approach-  
11 ing a go or no-go point?

12 A No, I don't recall that. Lots of things could  
13 have been discussed. There was a wild group up there,  
14 believe me, and not very professional.

15 BY MR. CAROME:

16 Q Why do you say that?

17 A Obviously it was being thrown together at the last  
18 minute.

19 Q You say it was a wild group. What was wild about  
20 what was going on?

21 A They were trying to throw together what appeared  
22 to be a relatively complex operation without having done their  
23 homework, it was my personal impression.

24 MR. CAROME: Could you mark this as the next  
25 exhibit please.

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(Exhibit No. [REDACTED] 4 was marked for identification.)

BY MR. CAROME:

Q I am about to show you what has been marked as Exhibit 4. For the record, it is a cable dated November 23, 1985, that is Saturday. The time of the cable, time of transmission, appears to be [REDACTED] zulu time. I guess that would be sometime [REDACTED] Washington time.

It is a cable, appears to be to [REDACTED] from Clarridge. It refers to, in paragraph 2, and I quote, "A total of five sorties are required for this operation." I ask you to look at that cable and ask you if it helps you remember the nature of the discussions going on that Saturday.

A It certainly ties in with this phone conversation.

Q Do you recall the number of five sorties being discussed?

A I don't specifically recall it, but I don't question it.

Q Were you informed when the [REDACTED] plane arrived in Tel Aviv?

A I think probably [REDACTED] DO [REDACTED] would have informed either me or [REDACTED].

Q By telephone, I take it. Is that right?

A Yes.

Q Why --

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1 A I am not sure, but it probably would have been.

2 Q What do you recall learning about how the plane  
3 was received in Tehran?

4 A My recollection is there was a lot of confusion.

5 Q What were you told about that?

6 A Well, I got it third hand, but the proprietary  
7 was unhappy, there seemed to be a lot of people running  
8 around unclear who was in charge, if I recall, they were  
9 having problems with money to buy fuel for the aircraft.

10 Q So the record is clear, we are talking about the  
11 arrival in Tel Aviv, is that right?

12 A That is what you said. Yes.

13 Q Okay.

14 A I would have heard that -- it would have been  
15 third or fourth hand by the time it got to me. My under-  
16 standing is that it was poorly organized.

17 Q And you either heard that directly from <sup>PO</sup> [redacted] or  
18 from <sup>S</sup> [redacted] who would have talked to <sup>PO</sup> [redacted] is that  
19 right?

20 A That is correct.

21 Q I may have asked you this before, but I am going to  
22 ask you again. Do you have any idea why the destination  
23 would have changed from Tabriz to Tehran?

24 A No.

25 Q No discussions on that subject at all as far as

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1 you can recall?

2 A None that I recall. That, to me, would have been  
3 immaterial really. It would have flown right by me, in  
4 other words.

5 Q Do you recall hearing that the people on the  
6 ground in Tel Aviv that the crew was dealing with were  
7 reluctant to have this second [REDACTED] plane pulled out of  
8 the operation?

9 A I don't recall that, but it is possible.

10 Q I believe that Exhibit 3 refers to efforts to  
11 repaint the plane or to fly formation in order to be able  
12 to use the U.S.-registered plane. Do you have any recollec-  
13 tion of those discussions coming up at the time?

14 A No. But they could have very easily.

15 Q Whose decision was it to take the plane into  
16 [REDACTED] as a stopping point?

17 A Actually the suggestion was made by the head of  
18 the proprietary. m

19 Q [REDACTED]

20 A Yes. Because he had used [REDACTED] for refueling  
21 purposes, you know, going through Europe before, and he felt  
22 there wouldn't be any problems there.

23 Q Was there any concern [REDACTED]  
24 [REDACTED]  
25 [REDACTED]

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1           A     If I recall, I don't think Dewey was loaded with  
2 enthusiasm at the suggestion.

3 [REDACTED]  
4 [REDACTED]  
5 [REDACTED]  
6 [REDACTED]  
7           Q     I take it that you relayed the suggestion that had  
8 originated with [REDACTED] to North and Clarridge, is that  
9 correct?

10          A     Yes. I must have. It probably came from [REDACTED]  
11 [REDACTED] directly to me and [REDACTED] and then to Dewey.

12          Q     Clarridge thought it was a bad idea?

13          A     He didn't think it was a bad idea. He just  
14 wasn't -- no, he didn't think it was a bad idea. If he had  
15 had another choice, I think he would have preferred to use  
16 another place. Obviously, it appears his other options were  
17 no longer there.

18          Q     Do you recall on that Saturday that there was an  
19 effort being made to obtain over-flight rights [REDACTED]

20          A     Yes. I don't recall the specifics of it, but there  
21 was a definite effort, and we did receive them.

22          Q     How did you learn they were received?

23          A     I presume from Mr. Clarridge.

24          Q     Who did you understand Mr. Clarridge was in  
25 touch with on the subject of flight rights?

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1 A I don't know. It probably would have been [REDACTED]

2 [REDACTED]  
3 Q Do you recall that he was sending out cables on  
4 the subject [REDACTED]

5 A I don't recall. I wouldn't be at all surprised,  
6 thought.

7 Q Am I to understand from your testimony that over  
8 that entire weekend, you neither saw ingoing nor outgoing  
9 cables?

10 A I saw a couple of cables that essentially trans-  
11 mitted the flight plan of the aircraft that was going from  
12 wherever it was going from, saying it was going to be here  
13 at such and such a time, Iran at such and such a time. I  
14 presume it probably would have gone to [REDACTED] since it was  
15 over-flying [REDACTED]

16 Q Do you recall seeing any cables that had originated  
17 in [REDACTED]

18 A No.

19 Q Do you recall --

20 A [REDACTED] was out of the picture.

21 Q By the time you saw cables, is that what you are  
22 saying?

23 A I didn't see cables. I saw a couple of cables  
24 concerning operational times of departures and arrivals and  
25 that sort of business.

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1 Q Who did you understand those cables had been  
2 originated from?

3 A Which cables?

4 Q The cables that you saw.

5 A Those cables came from our headquarters.

6 Q Who were they going to?

7 A I presume they probably went [REDACTED]

8 Q Any place else?

9 A Possibly [REDACTED] That is just because it would  
10 be quite logical.

11 Q Who [REDACTED] do you recall cables going to?

12 A There is only one place they could go, and that is  
13 [REDACTED]

14 Q Do you have any recollection as to whether or not  
15 [REDACTED] was involved in this matter?

16 A To my recollection, and again it is a recollection,  
17 is that [REDACTED] was not directly involved.

18 Q Do you recall whether it was indirectly involved?

19 A I don't know.

20 MR. CAROME: Would you mark this as the next  
21 exhibit.

22 (Exhibit No. [REDACTED] 5 was marked for identification.)

23 BY MR. CAROME:

24 Q I show you what has been marked by the reporter  
25 as Exhibit 5 to the deposition. For the record, I will say

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1 it is headed "Spot Report", dated November 25, 1985,  
2 subject: NSC requirement for covert airlift. Have you ever  
3 seen that document before?

4 A I probably have. I might have even written it on  
5 Monday morning.

6 Q Do you know whether or not the classification number  
7 down at the bottom right-hand corner is your number?

8 A I remember, yes, it is.

9 Q That would, therefore, suggest it was most likely  
10 you who prepared this document, is that right?

11 A Well, as the chief, your classification number  
12 goes -- yes, I probably -- I certainly signed it or saw it.

13 Q Do you know when this Exhibit 5 would have been  
14 prepared? I gather from the date, it was probably prepared  
15 November 25.

16 A It says November 25.

17 Q Do you have a recollection of preparing this docu-  
18 ment?

19 A I would presume someone in the Branch wrote it,  
20 and I probably initialed it, if I were there. I was in the  
21 office on 25 November.

22 Q Also a date at the bottom, it says 29 November  
23 1985. I am not sure why there would be a different date at  
24 the bottom. Do you have any idea why there would be a  
25 second date at the bottom?

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1           A     I have no idea, so -- that would normally be --  
2           that is the office, that is the person who wrote it, and  
3           that is the date -- why that has 25 up there, I don't know.  
4           Who knows? People are inexact.

5           MR. WOODCOCK: Just so the record is clear, when  
6           you say that is the office, that is the person who wrote  
7           it, would you point out what it was you were pointing to?

8           THE WITNESS: I presume that is the person's name  
9           crossed out.

10          MR. WOODCOCK: Just identify that. We have to have  
11          a reference in the record to the document so the person  
12          reading the record can understand it. Just describe what you  
13          are pointing to.

14          THE WITNESS: I am describing after the office  
15          designation, the blacked-out portion would be the originator  
16          of this spot report.

17          MR. WOODCOCK: That is from [REDACTED] is that  
18          right?

19          THE WITNESS: That is right.

20          MR. CAROME: Off the record.

21          (Discussion off the record.)

22          MR. CAROME: If we can go back on the record.

23          BY MR. CAROME:

24          Q     Do you recall why this document was prepared?

25          A     Yes. [REDACTED] flights of an unusual

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1 nature or events of an incident, a spot report is  
2 written to inform people way up the line.

3 Q And do you recall whether or not this document was  
4 written that Monday morning?

5 A I couldn't say.

6 Q Do you recall who it was prepared for?

7 A A spot report would go up the chain of command,  
8 it would go up to my boss, and he would send it up to the  
9 people who he think it would be appropriate. It could go  
10 all the way up to the very top, it depends.

11 Q Do you know who this document was shown to?

12 A No idea. Once it leaves my office, it is not in  
13 my hands.

14 BY MR. WOODCOCK:

15 Q Your immediate superior was [REDACTED]?

16 A It would have been [REDACTED] or in his absence,  
17 [REDACTED]

18 BY MR. CAROME:

19 Q I want to talk to you a little bit about what  
20 happened on that Monday with respect to this flight that  
21 Monday morning, I guess we are talking about November 25,  
22 did you speak to [REDACTED] about the weekend's activities?

23 A Yes, I told [REDACTED] that, yes.

24 Q What did you tell him?

25 A Essentially what [REDACTED] said.  
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**TOP SECRET**  
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1 Q What did you tell him about the nature of the  
2 cargo that had been moved?

3 A I have no idea.

4 Q Did you tell him the dimensions, weight?

5 A Not that I remember. I don't think so. There  
6 wouldn't have been any reason to normally.

7 Q Did you learn at any point that the loading of the  
8 aircraft in Tel Aviv was occurring at a hot cargo area?

9 A I don't specifically, a hot cargo area, I don't  
10 think I was told of that. It is possible. It wouldn't have  
11 surprised me.

12 Q Did you suspect it was weapons that were being  
13 carried on the plane?

14 A I didn't really focus on it. It would not have  
15 surprised me.

16 Q It would not have?

17 A No.

18 Q Although, of course, the idea of the United States  
19 shipping weapons to Iran, I gather, to the American public  
20 would have been a surprising notion, it would not have  
21 surprised you, is that right?

22 A You have to presume on a flight like this, they  
23 are not taking ping-pong balls or something. I just don't  
24 know. I can only presume the people in authority are aware  
25 of what is going on.

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1 Q When did you first have a conversation with  
2 [REDACTED] about this flight?

3 A Probably Monday morning.

4 Q Did you ask [REDACTED] to come [REDACTED]?

5 A I don't recall.

6 Q Do you recall that he did come up Monday?

7 A I don't recall that.

8 Q He testified to us last week in a deposition  
9 just like this that he had been asked to come up during the  
10 weekend, he came up probably around 10:30 that Monday  
11 morning, do you recall?

12 A I don't recall it, but I am sure that is right  
13 if that is the case. He was up all the time. Any time we  
14 had anything unusual, he would come.

15 Q This was certainly an unusual event, is that  
16 right?

17 A Correct.

18 Q Did you speak to [REDACTED] that day?

19 A Monday?

20 Q Monday.

21 A I don't recall. Probably.

22 Q Did you speak to him about this flight Monday?

23 A If I spoke to him, I am sure it came up. He was  
24 aware of it. He would have seen the spot report also.

25 Q Did [REDACTED] see [REDACTED] North and Clarridge

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1 on Saturday that they at least were aware of what the cargo  
2 was? Did you assume they probably were aware?

3 A I assumed they probably were obviously, yes. But  
4 that is just an assumption again.

5 Q They basically both seemed to be fairly familiar  
6 with what it was that needed to be done, is that right?

7 A North certainly, yes.

8 Q What about Clarridge?

9 A Clarridge was basically acting at North's direction.

10 Q Had you ever seen North and Clarridge before  
11 together at that time?

12 A Never met North before or after.

13 Q On that Monday, November 25, were you aware that  
14 this spot report had worked its way up to John McMahon?

15 A I am not sure I was aware on Monday, but I was  
16 certainly aware the next day.

17 Q What made you aware the next day?

18 A McMahon called a meeting on either Monday or  
19 Tuesday, and I happened to be out of the office, otherwise  
20 I would have went. And I heard through a third party that  
21 he wasn't happy, he was unhappy.

22 Q Who did you hear that from?

23 A I don't know. It could have been [REDACTED] it could  
24 have been [REDACTED] it could have been [REDACTED] whom I  
25 think attended the meeting.

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1 Q Who did you understand met?

2 A McMahon, I think, called the meeting, and I think  
3 there was someone from [REDACTED] actually there, and  
4 probably either [REDACTED] or [REDACTED]

5 Q That could have happened that Monday or the  
6 following Tuesday?

7 A It happened sometime very soon after, yes, I  
8 think. It could have been a week later, for that matter,  
9 but I don't think it was.

10 Q I am going to let you look at a memorandum --  
11 actually, I guess I will have it marked as an exhibit if  
12 you will excuse the yellow markings on it, which are mine.

13 (Exhibit No. [REDACTED] 6 was marked for identification.)

14 BY MR. CAROME:

15 Q I show you what has been marked as Exhibit 6.  
16 Again, I will state the yellow highlighting is mine. For  
17 the record, it is a December 7, 1985 memorandum, for the  
18 record, signed by John McMahon. In paragraph 2, it states  
19 "On Monday, the 25th of November, while visiting the office  
20 of the DDO, [REDACTED] was present and had given  
21 Claire George a spot report on a flight that [REDACTED]  
22 [REDACTED] had made in support of the NSC mission. I went  
23 through the overhead pointing out there was no way we could  
24 become involved in any implementation of this mission with-  
25 out a finding [REDACTED] of what you heard

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1 about a meeting having occurred on Monday or Tuesday of that  
2 week?

3 A I had heard that McMahon was unhappy.

4 Q He was specifically unhappy with [REDACTED] in-  
5 volvement in the flight?

6 A I heard he was unhappy about the whole operation.  
7 Specifics I didn't get involved with.

8 Q Who told you he was unhappy? I may have asked  
9 you that before. Do you have a recollection of who told you  
10 McMahon was unhappy?

11 A It could have been anyone attending that meeting.  
12 I don't specifically recall, and I will tell you one thing,  
13 a past operation is a past operation, and I wasn't worried  
14 about that. I was worried about other things.

15 Q The spot report that is Exhibit 5, in the last line,  
16 states that more flights are expected this week. Did you  
17 know what was expected to happen next after this first  
18 flight?

19 A Well, as we discussed, there was supposed to be  
20 more than one flight.

21 Q As we know, only one flight took place?

22 A Only one took place.

23 Q Do you know when the decision was made there would  
24 not be a second or any additional flights?

25 A I would have presumed it would have been after

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1 McMahon spoke his displeasure.

2 Q Do you know that to be a fact?

3 A I do not.

4 Q Were you involved in any decision that Monday to  
5 stop additional flights?

6 A I think we were told either on Monday or Tuesday  
7 there were to be no more flights. I would have passed the  
8 decision on down the line.

9 Q Who told you that?

10 A I don't recall.

11 Q You recall either on Monday or Tuesday the word  
12 came there should be no more flights?

13 A Correct.

14 Q At the time the word came, did you associate that  
15 with Mr. McMahon's displeasure with the operation? Did you  
16 learn the two at approximately the same time?

17 A I think I probably associated it with that, yes.  
18 My recollection.

19 Q Whose decision would it be -- withdraw that  
20 question.

21 Can you be more specific about whether or not it  
22 was sometime Monday as opposed to sometime Tuesday the  
23 decision was made to not go forward?

24 A I am very hesitant to, because I just don't know.

25 Q Do you know what the plane was originally planned

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1 to do -- let me rephrase that question. What was the  
2 original plan for where the plane was to go after Tehran?

3 A I don't recall, but that is a matter of record.

4 Q If I told you that the plan was for it to stop and  
5 wait [REDACTED] would that refresh your recollection as to  
6 what the plan was?

7 A It is possible.

8 Q You don't know one way or the other, is that  
9 right?

10 A I probably knew at the time. It is one of those  
11 things. It doesn't ring a strong bell, let's put it that  
12 way.

13 Q Did you see any cables that Monday concerning the  
14 flight?

15 A I don't think I did.

16 MR. CAROME: Could you mark those as the next two  
17 exhibits.

18 (Exhibit Nos. 7 and 8 were marked for identifica-  
19 tion.)

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jm 1

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1 MR. CAROME: Back on the record.

2 BY MR. CAROME:

3 Q Under normal circumstances, how does a cable get  
4 to you?

5 A It comes down through the cable secretariat to  
6 the distribution center of our division, and someone picks  
7 it up and hand-carries it down.

8 Q If your address is on the cable, does someone  
9 screen it first before it comes to you?

10 A Sometimes; sometimes I would see it directly.

11 Q So is what you are saying, you only see some of  
12 the cables that are addressed to you?

13 A I would generally see all of them. Very routine  
14 things I would review very quickly.

15 Q I take it any cable relating to this mission we  
16 are talking about would not be a routine cable; is that  
17 right?

18 A We did not have any cables, to my knowledge,  
19 relating to this.

20 Q Let me show you what has been marked by the  
21 reporter as Exhibit 7, and ask you to take a look at that  
22 document.

23 For the record, it is a cable dated, November  
24 25, 1985; time of receipt, [REDACTED] Zulu time.

25 I take it that you place it some time around  
[REDACTED] that morning?

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jm 2

1 A Right.

2 Q At the top of the cable there is a line, about the  
3 third line of printing on the cable, that says, "Van's  
4 notified," I take it, that refers to Mr. Clarridge, and  
5 then an entry that says, [REDACTED] Zulu time,  
6 eyes only."

7 I have assumed this cable was addressed to you?  
8 Do you recall receiving this cable, seeing that cable on  
9 that Monday?

10 A This is on Monday?

11 Q That is correct.

12 A Well, in the first place, this is a privacy  
13 channel used by the chief of our operation.

14 Q How can you tell that?

15 A By this.

16 Q What are you referring to, the [REDACTED]  
17 reference?

18 A Yes.

19 Q That is Clarridge?

20 A Yes.

21 Q How do you explain the reference at the top?

22 A I was working with Dewey over the weekend and  
23 they probably had my name as someone to contact, and I  
24 might have seen this, or I might not have seen it.

25 If it were Monday morning, it would have gone

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jm 3

1 directly to Dewey, but they might have called me in,  
2 early in the morning, or something like that; I don't  
3 specifically recall it.

4 Q You have no recollection of previously seeing  
5 this cable?

6 A I could have seen it. It seems to me it is  
7 sort of nuts and bolts.

8 Q Did you speak to Clarridge at all on that  
9 Monday?

10 A Once, by telephone.

11 Q When was that phone call?

12 A No; wait a minute. I saw him early in his office,  
13 early Monday morning.

14 Q About what time?

15 A About 7:30.

16 MS. McNEIL: Can we establish who that is from?

17 THE WITNESS:

18 MR. WOODCOCK:

19 BY MR. CAROME:

20 Q You are saying you had met with Mr. Clarridge  
21 early that Monday morning. What was that meeting about?

22 A We were talking about the flight, what was happening  
23 with the flight, and then I spoke to Mr. Clarridge some time  
24 Monday or Tuesday. I forget for what reason. It was just  
25 sort of -- nothing specific was discussed.

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jm 4

**TOP SECRET**  
**UNCLASSIFIED**

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1 Q I take it from your discussions over the  
2 weekend and from this spot report, talking about more flights  
3 are expected this week, you must have, on that Monday morning,  
4 been talking about when the next flights were taking place  
5 and planning for that; is that right?

6 A It could well be. We probably, we are talking  
7 about what the status of the crew flight was, because at  
8 that point in time, the crew flight wasn't back [REDACTED]  
9 [REDACTED]

10 Q This cable which has been marked as Exhibit 7,  
11 contains in its paragraph 2 a report that the pilot told  
12 ground controllers, I take it that is [REDACTED] he was  
13 carrying military equipment.

14 Do you recall learning that on that Monday  
15 morning?

16 A No, I don't.

17 Q Do you recall discussing the possibility military  
18 equipment was on the plane with Clarridge that day?

19 A No. To me it would have been totally immaterial.

20 Q Why is that?

21 A I was concerned with the mechanics of the flight.

22 Q But you have a firm recollection---

23 A No, I don't have a firm recollection of this cable.

24 Q You may have received it or you may not have; is  
25 that right?

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jm 5

1 A Yes, yes.

2 Q Do you know if this [REDACTED] here at the top

3 refers to you?

4 A I am sure it does.

5 MS. MCNEIL: Can we go off the record a munite?

6 (Discussion off the record.)

7 MR. CAROME: Let's go back on the record.

8 BY MR. CAROME:

9 A Back on the record.

10 I take it it is your understanding the only

11 copy of this cable would have gone to Mr. Clarridge; is that

12 right?

13 A It could have gone above Mr. Clarridge, but

14 it would have been highly unusual for a privacy channel --

15 it would have been given extremely limited distribution.

16 Q From your understanding of how the privacy

17 Channel works, the fact your name is referred to on the

18 cable as a person to be notified, does not mean that a

19 separate copy would have been prepared for you; is that

20 right?

21 A It wouldn't have been prepared for me. But if

22 Dewey were not at home, the communicator was instructed to

23 call me at home concerning estimated time of arrival and

24 departure. So he had me down as a secondary type of back

25 up for Clarridge.

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jm 6

1 Q Who was the communicator?

2 A I have no idea.

3 Q What you are saying is that sometime on Saturday  
4 or Sunday, you were designated as a person to get in touch  
5 with about key information about the flights to Tehran?

6 A Key information concerning operations of the  
7 landing permits, overflight permits, et cetera.

8 Q Did you get any such calls at home?

9 A I think I probably got one or two concerning ETAs.

10 Q Estimated Time of Arrival, is that right?

11 A Yes.

12 Q You can't tell us whether or not you saw this cable  
13 or not; is that right?

14 A I have no idea. I don't see my initials on it.  
15 That doesn't necessarily mean anything.

16 Q I show you what has been marked as Exhibit 8.

17 It is another cable, this time a cable from headquarters

18 [REDACTED] dated, November 25, 1985, [REDACTED] Zulu time, I take  
19 it that would be some time around [REDACTED] Zulu time? Am I

20 correct that between the time of the first cable that we  
21 have looked at, and the second-cable, you recall in that time  
22 frame having met with Mr. Clarridge; is that right.

23 A I saw Mr. Clarridge very briefly early Monday  
24 morning, yes.

25 Q Directing your attention to Exhibit 8 and

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JM 7

1 paragraph 3, this is a cable that appears to have been  
2 sent out by Mr. Clarridge [REDACTED] "It seems equipment  
3 on board is indeed spares for the oil industries, but that  
4 is not to say it may not also have some specialized medical  
5 equipment or supplies mixed in with it. I simply cannot  
6 understand why the pilot told ground controllers he was  
7 carrying military equipment, but perhaps that is what he  
8 thought he was transporting."

9 My first question is: Do you recall that there was  
10 any discussion about describing the cargo as oil equipment?

11 A No. That came, as far as I know, afterwards,  
12 but I don't recall it.

13 Q When you say "that came afterwards," what are  
14 you referring to?

15 A Basically, later in the week. I wasn't specifically  
16 involved that.

17 Q What do you understand was said about oil equip-  
18 ment later in the week?

19 A I heard after the fact, and I am talking almost  
20 a year after the fact, that Mr. McMahon had been briefed --  
21 this was in the newspapers -- oil drilling equipment; that  
22 was never discussed with me.

23 Q You have heard the subject of oil drilling equip-  
24 ment that weekend or Monday?

25 A No.

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jm 8

1 Q Do you recall having seen this cable?

2 A I specifically would say I have not seen this  
3 cable.

4 Q You are sure about not seeing this cable, the  
5 previous one, Exhibit 7?

6 A This one I can say with a fair amount of assurance.

7 Q Why are you more sure about Exhibit 8?

8 A Because I was out of the picture when this was  
9 going on.

10 Q Why were you going out of the picture by then?  
11 It seems there were additional flights being planned.  
12 Weren't you concerned at that time about the additional  
13 flights?

14 A Yes, but I just don't think I would have seen  
15 this.

16 Q Were you out of the picture?

17 A Not out of the picture but, you know, it was  
18 now Monday morning and the building was full of people,  
19 and I just, I would have been concerned of the mechanics  
20 of the flight, and this is not, you know, mechanics in  
21 my sense of mechanics of the flight.

22 Q You recall on that Monday morning there was  
23 plans of additional flights by [REDACTED] is that right?

24 A As of that Monday morning my recollection is  
25 yes.

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jm 9

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PO

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1 Q [REDACTED] told us he arrived at headquarters around  
2 10:30 that morning. Do you have a recollection of that?

3 A No.

4 Q Do you recall talking to PO [REDACTED] that Monday?

5 A Not specifically. I am sure I did.

6 Q Why are you sure you did?

7 A He was in the building and I was in the building,  
8 he works for me, I would have talked to him.

9 Q You probably would have talked about this flight  
10 operation?

11 A Certainly, certainly.

12 Q Do you recall whether PO [REDACTED] passed along  
13 to you any information about what the [REDACTED] crews thought  
14 they were carrying?

15 A I don't specifically recall that. I recall he  
16 passed on the cargo was extremely bulky and very difficult  
17 to load.

18 Q PO [REDACTED] told us last week in his  
19 deposition that he specifically recalled telling you that  
20 Monday that the pilots had concluded that the cargo was  
21 missiles; do you recall him telling you that?

22 A I don't specifically recall it, but he might  
23 have very well.

24 Q Isn't that something that would have stuck out  
25 in your mind if it happened?

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jm 10

1 A Not really. I would have expected it to be  
2 an unusual type cargo.

3 Q By unusual that might mean weapons; is that  
4 right?

5 A Yes.

6 Q You thought that it was quite possible there  
7 were weapons aboard; is that right?

8 A Weapons, I thought that was a possibility of  
9 course.

10 Q Did you have any other alternatives what might be  
11 aboard other than weapons?

12 A It could have been any number of things. It  
13 could have been, you know, it can't -- I don't want to  
14 speculate.

15 Q Weapons is one thing that came to mind; is that  
16 right?

17 A Weapons didn't specifically come to mind, but it  
18 would certainly be a logical possibility. You have to  
19 assume there is a reason they are running a flight like  
20 this.

21 Q But you don't recall that <sup>PO</sup> [REDACTED] told you that;  
22 is that right?

23 A I don't recall it, but if the man says he did,  
24 I am sure he did.

25 Q If [REDACTED] has told you something like that,

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jm 11

1 would you have passed that along to Mr. Clarridge?


2 A Probably.

3 Q Why do you say that?


4 A I can't say because I didn't, you know, I just  
5 don't -- you are trying to piece something together that  
6 is a past action.

7 Q It is likely you would have passed on a piece of  
8 information like that; is that correct?

9 A More than likely, but I can't say that for sure.  
10 A lot depends on context and all sorts of things, speculation  
11 and, you know---

12   
13  
14  
15  
16  
17 Q And I take it that it would be one of  
18 functions to report back to headquarters about the nature  
19 of any cargos that it shipped, particularly if it was  
20 arms; is that right?

21 A We would hope they would, yes.

22 Q That would be the kind of information that would  
23 normally be passed on up the line at the agency 

24  is that right?

25 A That is

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jm 12

1 Q And that in part is the reason you would have  
 2 passed that kind of information along to Mr. Clarridge,  
 3 if <sup>PC</sup> [REDACTED] had told you the crew had understood that  
 4 they were carrying cargo; is that right?

5 A No. Because in this case it is a U.S. Government  
 6 flight, and the United States doesn't spy on the United  
 7 States.

8 MR. WOODCOCK: In other words, you assume Clarridge  
 9 knew?

10 THE WITNESS: Of course. That is just an assumption. I am  
 11 not reporting on what a third country is doing. I am  
 12 reporting on what the White House is doing, being in a  
 13 spot themselves.

14 EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

15 BY MR. WOODCOCK:

16 Q You testified earlier that North was the one who  
 17 appeared to be the most knowledgeable on Saturday; is that  
 18 right?

19 A It is my impression.

20 Q You understand this was a White House flight as  
 21 a result; is that right?

22 A Yes.

23 Q Did you understand Clarridge had as much information  
 24 as North?

25 A I don't know, but I don't know specifically.

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jm 13

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1 Q Did you reach a conclusion on that Saturday as to  
2 whether Clarridge knew what was in the airplane?

3 A I can't answer that because I just don't know.  
4 I didn't even focus on that. It just wasn't---

5 Q How about by Monday, had you made a determination  
6 in your own mind as to whether Clarridge knew what was in the  
7 airplane as opposed to what North might have known?

8 A I presume Clarridge knew what was in the airplane  
9 because he was briefing his superiors on the flight.

10 Q But did you know that he had the same quality  
11 of information that North had?

12 A I had no way of knowing.

13 Q Would it have been a prudent thing to take the  
14 information <sup>PO</sup> [REDACTED] gave you to Clarridge to make  
15 sure that Mr. Clarridge had that information?

16 A In retrospect, if it had registered, perhaps, but  
17 it is just -- it just wasn't the circumstance.

18 EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

19 BY MR. CAROME:

20 Q You don't specifically recall whether or not you  
21 passed that on to Mr. Clarridge; is that right? You don't  
22 specifically recall whether or not <sup>PO</sup> [REDACTED] made this  
23 report to you about what the crew was carrying; is that  
24 right?

25 A That is all I can say. If I knew it, I just don't

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jm 14

1 don't know. I would have presumed, and again this is  
2 speculation, I would have presumed Dewey would have been  
3 aware of what was on the aircraft.

## EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

BY MR. WOODCOCK:

6 Q Let me ask the question differently.

7 If on Monday, <sup>PC</sup> [REDACTED] came to you and said there  
8 were missiles on the aircraft and you believed that perhaps  
9 Colonel North knew that, but that perhaps Mr. Clarridge  
10 didn't know that, would you have taken that information  
11 to Mr. Clarridge?

12 A Yes, I would have under those circumstances, but  
13 that never even -- that was a nuts -- that was a lot of  
14 supposition.

15 Q I understand that. But your earlier statement  
16 was it was an United States Government flight and the United  
17 States doesn't spy on the United States.

18 A Right.

19 Q However, if you understood this to be an NSC  
20 sponsored flight, but your superiors at CIA did not know  
21 what the quality of the cargo was, but NSC did, you would  
22 have brought that to your superiors; is that right?

23 A If I thought we were being intentionally mislead,  
24 of course I would.

25 Q If you thought they just didn't know irrespective

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1 of whether they were being misled or not?

2 A If I thought that, I presume I would have. I would  
3 today, I presume I would have then. It didn't happen that  
4 way.

5 Q If you didn't do that you were assuming Clarridge  
6 knew that the cargo was; is that right?

7 A No, I didn't focus on it. It wasn't a thing  
8 I was focusing on. It didn't ring a bell or set anything  
9 off.

10 EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

11 BY MR. CAROME:

12 Q You aren't certain whether or not you told  
13 Clarridge; is that right?

14 A What about -- I am sure that -- I don't have  
15 a recollection of <sup>PO</sup> [REDACTED] conversation, but I am not saying  
16 I am sure he said it was the case, but I am saying -- I also  
17 don't have a recollection of Dewey. <sup>PO</sup>

18 Q I believe you said before if <sup>PO</sup> [REDACTED] told you that  
19 that is the kind of thing he probably would have passed on.

20 MS. McNEIL: This entire exchange has been  
21 pure speculation.

22 MR. CAROME: I understand.

23 MS. McNEIL: He is saying he doesn't remember.

24 MR. WOODCOCK: Excuse me, the conversation is  
25 not speculation. It is a very subtle attempt to construct

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jm 16

1 what his habit of reporting is.

2 MS. MCNEIL: He has already testified to that.

3 MR. WOODCOCK: He hasn't testified to it in part.

4 EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

5 BY MR. CAROME:

6 Q I take it, based on the way you usually operate,  
7 if <sup>DO</sup> [REDACTED] gave you that kind of information that is the  
8 kind of information you would normally pass along to Mr.  
9 Clarridge in that situation; is that right?

10 A If I thought they were something out of the  
11 ordinary.

12 Q And the fact that weapons might have been on that  
13 plane is the kind of thing that is out of the ordinary; is  
14 that right?

15 A No. I would have thought something of that  
16 nature would have been on that plane. My presumption is  
17 that Mr. Clarridge would be aware of what was on that plane.

18 EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

19 BY MR. WOODCOCK:

20 Q Did he give you any reason to believe that?

21 A He didn't give me any reason one way or the  
22 other. This was after the fact.

23 Q Only partially after the fact? Is that right?

24 A Yes.

25 Q More [REDACTED] was planned? Is that right?

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1           A     I would have to get the timing. More flights  
2 didn't happen, that is for sure.

3           Q     Doesn't the spot report indicate more flights  
4 were planned?

5           A     Yes.

6           Q     Would you want to have been satisfied as to the  
7 nature of that cargo as well?

8           A     I would -- again, this is pure speculation, but  
9 I would say if more flights were actually going to take  
10 place, I think I probably would have been more aware of  
11 this or more focusing on the cargo.

12                By that afternoon, I believe, or certainly the  
13 next day, it was a dead issue. In my mind by Monday  
14 was on a thousand different things, I can assure you.

15           EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

16           BY MR. CAROME:

17           Q     Are you aware that <sup>m</sup> [REDACTED] instructed the  
18 crew on the ground in Tehran to make sure they got a full  
19 tank of fuel so that they could have all options open about  
20 taking the plane back [REDACTED] or not?

21           A     I don't recall that specifically. I would say  
22 that is -- knowing <sup>m</sup> [REDACTED] that is very possible. I would  
23 have heard it fourth-hand by the time it got back to me.

24           Q     Were you aware that a decision was made while the  
25 [REDACTED] plane was returning [REDACTED] man, about whether

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1 or not to take it to some location [REDACTED] or some place  
2 not too far from Israel, or instead take it back [REDACTED]

3 A You mentioned that earlier about [REDACTED]

4 Q I am not specifically asking about the destination,  
5 I am asking were you aware at the time that a decision was  
6 made while the plane was in the air, to pull it out of the  
7 operation and take it back [REDACTED]

8 A [REDACTED] I don't recall any specifics  
9 but again, you are trying to pull things out of me which  
10 are many, many, many light years in the past.

11 Q I guess what I am asking is were you aware of  
12 any decision made either by [REDACTED] <sup>PO</sup> or [REDACTED] <sup>m</sup> to take  
13 [REDACTED] out of the further flights?

14 A No. They wouldn't make a unilateral decision such  
15 as that.

16 Q That would only come from [REDACTED]

17 A It would come from above [REDACTED]

18 Q Is it your understanding that the first time---

19 A They might have well discussed something like  
20 that.

21 Q All right. Is it your understanding that there  
22 was no direction to pull [REDACTED] out until after Mr. McMahon  
23 had learned about the flight activity?

24 A I am hesitant to answer that because there might  
25 have been, not knowing the tip [REDACTED] meeting -- certainly

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1 what McMahon said, that it would be the sort of final  
2 straw. I think there was a reaction from Clarridge, a  
3 very negative action also, which could have been before  
4 that.

5 Q In your discussion that morning with Clarridge,  
6 I take it you spoke to him twice?

7 A Once on the telephone and once on the telephone  
8 saying, how did everything go type thing.

9 Q Did Clarridge, in either one of those conversations,  
10 give you any indication the National Security Council or  
11 the White House wanted there to be no further flights?

12 A By the second conversation I had with Dewey by  
13 telephone, and this was either Monday -- I would like to  
14 correct one thing. The phone conversation could very well  
15 have been on Tuesday.

16 Q Pardon?

17 A I think I talked to him on Monday, but it could  
18 well have been Tuesday. By the time I had the phone  
19 conversation it was clear there were to be no more flights.

20 Q What I am trying to do is find out where the  
21 impetus was coming from for the decision there be no more  
22 flights. One possibility is it came from <sup>DO</sup> and <sup>M</sup>  
23 another is it---

24 A No.

25 Q You don't think it is right?

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1 A They don't have the authority to say there would  
2 be no more flights. It would have come from above. It  
3 would have come from either the director of operations  
4 or Mr. McMahon.

5 Q You think it probably did not come from Mr.  
6 Clarridge or the White House?

7 A No, I can't say that. The White House obviously  
8 could have said we don't want anymore flights.

9 Q You didn't hear anything about that?

10 A No.

11 Q Mr. Clarridge never gave you any indication  
12 it was the White House that wanted [REDACTED] out?

13 A Not that I recall. But, please, you know,  
14 it is just---

15 Q I understand.

16 A By the time I talked to Dewey on the telephone,  
17 it was all over.

18 Q That could have been either Monday or some time  
19 Tuesday?

20 A Yes. I think it was Monday.

21 Q If it was Monday, do you think it was late in  
22 the day, early in the day?

23 A I can't guess.

24 Q Were you aware that [REDACTED] and [REDACTED] went and  
25 briefed the general counsel, Stanley Sporkin and another

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1 lawyer, Monday evening?

2 A I was aware on Tuesday.

3 Q How did you become aware of that?

4 A [REDACTED] and [REDACTED] told me.

5 Q What did they tell you about that meeting?

6 A Well, you are better off taking what [REDACTED]

7 said.

8 Q What do you recall.

9 A I think they briefed him on the details of the  
10 flight and, again, this is just, I wasn't there. And probably  
11 Sporkin, since he is from the general counsel's office,  
12 was probably concerned about the legalities of the flight,  
13 I would presume. That would be the sort of thing he  
14 would focus on.

15 Q Did you know any time during the day, Monday,  
16 [REDACTED] and [REDACTED] would be going over to speak to Sporkin?

17 A No.

18 Q How do you understand that they were brought  
19 into doing that?

20 A They told me.

21 Q Who asked them to---

22 A I don't know. I was out of the office Monday  
23 afternoon, I don't know from when to when. I missed the  
24 meeting with McMahon, and I also missed the meeting with  
25 Sporkin.

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1 Q What were you doing that Monday afternoon?

2 A I don't know. It had nothing to do with this.

3 Q I guess I am surprised you would have been gone  
4 that afternoon if at that time there would have been  
5 efforts for there to be additional flights.

6 A I think in my own mind that the decision was  
7 made much earlier than that, there be no additional flights,  
8 and, furthermore, people were very competent to do the  
9 operation of the planning. I am not involved in the day-  
10 to-day operation of the nuts and bolts on something like that.

11 Q Does the fact that you were gone that afternoon,  
12 in your mind at least, increase the likelihood that it was  
13 probably sometime Monday, before you were gone, that Clarridge  
14 told you that the operation was off?

15 A I think it was probably Monday morning, but, again,  
16 I sure would hate to be quoted on that.

17 Q I understand.

18 Do you know if in the conversation with Clarridge  
19 or at any other time around this Monday time frame, when  
20 the news came that [REDACTED] was not going to make  
21 further flights, was that in the context of it is put on  
22 hold for awhile and we might do it later, or we are out  
23 of it altogether?

24 A I don't know. If I had to guess, I would say put  
25 it on hold, but I don't know. Because you live from minute

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1 to-minute in that business, believe me. You start thinking  
2 about other things immediately.

3 Q General Counsel Sporkin, now a Federal judge, has  
4 told us that <sup>S</sup> [REDACTED] and [REDACTED] explained to him that the cargo  
5 being carried by the plane was missiles. Did they ever tell  
6 you that is what they told Sporkin?

7 A I don't recall. But I would presume they did,  
8 because they probably spoke to <sup>PO</sup> [REDACTED] which sort of makes  
9 sense.

10 Q You think that information most likely would have  
11 come from <sup>PO</sup> [REDACTED]

12 A That is the only place it could have come, I guess.

13 Q You are sure it didn't come from you?

14 A From me in---

15 Q Yes.

16 A It could have very well.

17 Q When would you have learned it?

18 A Well, if, indeed, <sup>PO</sup> [REDACTED] did say that to me, I  
19 probably would have no reason not to, I probably would  
20 have told <sup>S</sup> [REDACTED] because he was immediately involved with it.  
21 I certainly would have intentionally not told anyone.  
22 There was no reason not to. It sort of makes sense when  
23 you put the chronology together.

24 Q Did you speak to [REDACTED] at all on Monday? I  
25 may have asked [REDACTED] that before.

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1 A You asked me. I don't know. I would presume  
2 I did. I would have told [REDACTED] every single detail I knew  
3 about the flight.

4 Q If you had at that point heard a report the crew  
5 felt it was missiles, that is the kind of thing you would  
6 have told [REDACTED]

7 A I am sure I would have. If I didn't, I would  
8 have had a lapse, and I am not in the habit of having those.

9 Q Did you in 1986, have any involvement in NSC  
10 missions involving [REDACTED] or [REDACTED]

11 A I left in October of 1986, and there was a planning  
12 some time during that period for a flight taking McFarlane  
13 and some people into, I think they ended up going into  
14 Tel Aviv. I think that was probably after I left, but there  
15 might have been some discussions before.

16 Q I believe that flight occurred in May of 1986.

17 A May of 1986?

18 Q Yes.

19 Q I am confused.

20 Q What do you recall about your involvement in that  
21 flight, if any?

22 A I think we provided an aircraft.

23 Q Actually I want to---

24 A I think that was just a passenger flight, if I  
25 am not mistaken.

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jm 25

1 Q In January or February of 1986---

2 A 1986.

3 Q ---did you play any role or learn any information  
4 about---5 A When were the flights? The November flights were  
6 1985.7 Q That is right. This would have been a few months  
8 after that. Did you learn anything about [REDACTED]  
9 facilitation of a pick up of weapons, cargo, by Southern  
10 Air Transport at Kelly Air Force Base?11 A You have all the details on this, I don't need  
12 to give you more. But we were ordered to facilitate, ordered  
13 from above to facilitate landing rights for Southern Air  
14 Transport at Kelly Air Force Base.

15 Q Where did that order come from?

16 A It came from the N.E. division.

17 Q Who in particular?

18 A One man involved was [REDACTED] C/NE

19 Q Do you recall at around that time, again, this  
20 is the early 1986 time frame, having any dealings with  
21 a [REDACTED] from the finance office, the CIA's  
22 finance office, with respect to this matter.23 Q The name doesn't ring a bell, but there was a  
24 lot of business going on about the financing for it, and  
25 we couldn't do the flights correctly, until the**UNCLASSIFIED**

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1 money had been transferred into the agency.

2 Q What was it being transferred into the agency for?

3 A Don't ask me. There are people how have exact  
4 information on that.

5 Q The reason I ask you is that [REDACTED] had  
6 a recollection that in the late January or early February  
7 time period, she put someone from the finance office,  
8 she thought [REDACTED] in touch with somebody in [REDACTED]

9 [REDACTED] she thought you---

10 A It is quite possible.

11 Q Do you have any recollection of that?

12 A No. I don't know why she would have because  
13 our thing was that we weren't to move the material, obviously,  
14 until the money had been transferred, or something like that.  
15 And I don't know why, but I do vaguely recall something along  
16 those lines. Maybe it had to do with the costing of the  
17 thing; I don't know.

18 Q Were you involved at all in the methods by which  
19 the money would be received at the agency?

20 A No.

21 Q Did you understand that Secord was involved in  
22 that matter? I am talking now about the SAT flights  
23 in February?

24 A I don't think I did know Secord was involved,  
25 because Secord is not certainly connected with SAT, or

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1 was at that time. That is immaterial. I have never met  
2 General Secord, ever, as a matter of fact.

3 Q You knew that those were TOW missiles that were  
4 going out on SAT flights?

5 A Yes. Thousands of people knew that.

6 Q Did you know where the missiles were destined  
7 for?

8 A Supposition.

9 Q What was your supposition?

10 A It is Iran.

11 Q Did many people know that fact as well?

12 A I would think a cast of thousands.

13 Q Would know missiles were going to Tehran?

14 A They were trying to keep it down and saying going  
15 to Europe, as I recall, but a cast of thousands -- that is  
16 incorrect, take that off. A number of people would certainly  
17 know.

18 Q At the agency?

19 A At the agency.

20 Q Were you ever told this was a highly sensitive  
21 matter to be closely held?

22 A It was a very, very sensitive matter, and we were  
23 just given one little piece of it, which was a very mechanical  
24 part of the air lift.

25 Q Did you associate, in your own mind, that activity

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1 in early 1986, with the November flight?

2 A Indirectly.

3 Q What caused you to associate it?

4 A Because I knew about the November 1986 flights,  
5 and I presumed there was another initiative. I also knew  
6 it was coming out of the White House, I knew the agency was  
7 very unhappy about the whole thing, and just in my own mind,  
8 but I didn't have the specifics.

9 Q What did you know about the agency being unhappy  
10 about the whole thing?

11 A I got a sense of reluctance, I got a sense [REDACTED] C/NE  
12 was being pushed very hard and just the general feeling was  
13 this is something that had to be done. [REDACTED]

14 [REDACTED]

15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 Q Did the fact this was a missile shipment in early  
24 1986 cause you to think there had also been a missile ship-  
25 ment in November

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1 A It certainly caused me to think a little bit, yes.

2 Q You don't recall anyone specifically telling you  
3 it was missiles on the November 1985 flight; is that right?

4 A No, except what you said about ~~PO~~ [REDACTED] If that  
5 is correct, I don't know.

6 Q You don't have a specific recollection one way or  
7 the other on it?

8 A No, but I wouldn't want to make a strong issue.  
9 It was after the fact in any event.

10 MR. CAROME: Mark these as the next two  
11 exhibits.

12 (Exhibits No. ~~9~~ 9 and 10 were marked for  
13 identification.)

14 BY MR. CAROME:

15 Q I show you what has been marked as Exhibit 9,  
16 and ask you if you recognize that document. For the  
17 record, it has a CIIN number 2545 at the bottom.

18 A It means nothing to me.

19 Q Does it appear to you to be a list of the  
20 special flights handled by ~~PO~~ [REDACTED] in 1985 and 1986?

21 A Might well be.

22 Q That is not your handwriting; is that right?

23 A No, it is not.

24 Q I show you what has been marked as Exhibit 10.

25 I ask you if you recognize that document is? I believe

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1 it has a CIIN Number 2549 handwritten on the page of the  
2 document. Is that your handwriting on that document?

3 A No. What is the date of this document.

4 Q I am not sure it has a date reflected on it. It  
5 appears to be some time after November 1986 because it has  
6 an entry.

7 A Well, I am long gone.

8 (Exhibit No. [REDACTED] 11 was marked for identification.)

9 BY MR. CAROME:

10 Q I show you what has been marked as Exhibit 11.  
11 It is a one-page handwritten document. It has a CINN Number  
12 2546 at the bottom. I am asking whether you recognize  
13 this document.

14 A No.

15 Q That is not your handwriting?

16 A No. It looks like a bill or something, doesn't it?

17 Q I can't tell. The word "reimbursement" is at the  
18 top.

19 A What is the date?

20 Q Again, it is difficult to tell what the date is.

21 A This sort of thing won't have come across my desk  
22 anyway, I don't believe.

23 MR. CAROME: I don't think I have anymore questions  
24 at this point.

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## EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

BY MR. WOODCOCK:

Q I have just a few questions based on marginal notes, [REDACTED]

First, I have participated now in a series of interviews with [REDACTED] people, and so forth, and I have had some trouble getting a handle on the guidelines that were imposed on proprietary operations, so let me turn, if I may, back to the August 1985 flight that involves smokeless gunpowder. One of the exhibits that you were shown earlier referred to smokeless gunpowder and the destination was Tehran. Also listed on that sheet was a reference to detonators; do you recall that?

A I recall the document, yes.

Q Do you recall detonators appearing on the document?

A Well, it is right there somewhere. Yes.

MR. CAROME: It is Exhibit 11, which he is referring to.

THE WITNESS: Yes.

BY MR. WOODCOCK:

Q Now earlier when Mr. Carome was asking you questions about the smokeless gunpowder, you believed the smokeless gunpowder itself would not have been a controversial item to bring into Iran and you mounted the question of Tehran being [REDACTED], is that correct?

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1 A That the smokeless gunpowder in itself is -- no,  
2 I don't think so.

3 Q Now that the document also refers to detonators  
4 can come in quite a number of varieties; is that not true?

5 A Don't ask me, I am not an expert on it.

6 Q Do you understand, for example, CIA could produce  
7 a detonator that is very small, might even fit into a letter.  
8 Do you have any understanding of that?

9 A Not any expert understanding.

10 Q You understand that is a possibility?

11 A If you say so. It is not my bag.

12 Q What I am trying to drive at is that is it not the  
13 position of [REDACTED] to satisfy itself that cargo like  
14 detonators is not highly technical cargo?

15 A Oh. Well, I would have, in a case like this, I  
16 would have -- I can't sit 3000 miles away and judge all the  
17 kinds of detonators there are. I would presume the pro-  
18 prietary accepting the cargo, if you are talking about  
19 safety of flight or something like that, they would make  
20 a judgment this is not an unsafe cargo or something like that.

21 Q Putting safety of flight aside, and I understand  
22 the 3000 miles away, I am trying to get at what kind  
23 guidelines the people out there in the field have for a  
24 flight. Would they also -- would they also, once they  
25 are satisfied it is a safety mixture, would they go one  
step further and try to determine whether the detonators

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1 themselves are, perhaps, super-sophisticated and may have  
2 terrorist applications.

3 A I don't think they would. They are not that  
4 sophisticated. It would be nice if they were, but the  
5 nature of this type of cargo sounds to me like it is sort  
6 of routine type cargo. You know, no, I don't think --  
7 If something struck them as you unusual, they would  
8 certainly report it, I don't think they would go the next  
9 step, no.

10 Q They wouldn't actually examine the cargo?

11 A No. They wouldn't know enough, they are just  
12 to report back -- we don't want them nosing around either,  
13 because they are going to get caught in trouble. I don't  
14 think they would take that step, unfortunately, or  
15 fortunately.

16 Q So it is not outside of the realm of possibility  
17 that a [REDACTED] flight might end up bringing terrorist  
18 equipment into a terrorist country.

19 A I am not going to answer that question. That  
20 is certainly not intentionally.

21 Q But the guidelines are such it could happen?

22 A It could happen, you know that is a very leading  
23 question. I just don't want to get involved in it.

24 Q It is a leading question, but I am trying to  
25 understand how this operates. I am not asking the question

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1 to be critical.

2 A I just don't know. They are told to report back  
3 what they have on board and based on that a judgment is made.  
4 Obviously, if there is any idea there is anything to a  
5 terrorist, the flight wouldn't be made. There is no question  
6 about that.

7 Q When you were in the office on Monday, I have to  
8 say gathered there was some urgency to that flight?

9 A Very much so.

10 Q Did you receive information from Tel Aviv,  
11 ultimately from Tel Aviv, that this loading operation  
12 had encountered some delay.

13 A I heard that through a third party, yes, because  
14 the cargo is very bulky.

15 S Q That would have come through either [REDACTED] or  
16 [REDACTED] is that correct?

17 A Yes.

18 Q Did you understand that the loading operation  
19 was being performed by a mix of civilian and military?

20 A I don't recall that.

21 Q Is that the kind of information that might have  
22 made an impression on you at the time?

23 A Probably not.

24 Q Now about if the information was that the military  
25 involved were very high-ranking military?

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1 A It wouldn't have surprised me. It was a very  
2 special type of flight, obviously.

3 Q When you were in the office, you testified  
4 Charles Allen was there; do you know what his position  
5 was?

6 A He was an NIO for CIA. Yes, at the time I knew  
7 what his position was. But I can't remember what it was  
8 now.

9 Q Did you have an understanding as to what his  
10 function was there in the office that day? What was he  
11 doing there?

12 A Truly, no, I didn't.

13 Q But you understood he was an intelligence  
14 officer?

15 A I knew <sup>who</sup> ~~that~~ he was. It is not for me to question.

16 Q Did you have an understanding as to whether he  
17 was processing intelligence?

18 A Processing intelligence?

19 Q Was he bringing intelligence into Clarridge and  
20 North to make them understand any other aspect of the  
21 operation better?

22 A I think he was trying to do that, yes, as a  
23 matter of fact. That may be why he was there, I  
24 don't know.

25 Q Was the fellow with the deformed back, was he an  
assistant of ~~the~~ <sup>somebody</sup> ~~him~~ <sup>else</sup>?

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1 A He certainly acted as if he were a subordinate.

2 Q I realize from your testimony that you did not  
3 understand Richard Secord himself was Copp until some  
4 time long after this operation; is that right?

5 A I read it in the newspaper.

6 Q When you read his name in the newspaper was that  
7 a name familiar to you?

8 A Copp?

9 Q Secord.

10 A I have heard of Secord.

11 Q How?

12 A He is a well-known figure. He was involved in  
13 the hostage rescue air lift. He is known to a lot of our  
14 people. Many people I knew had worked with him in Southeast  
15 Asia. I never met the man.

16 Q Does even <sup>n</sup> he have a reputation within your shop?

17 A That is kind of an unfair question to ask.  
18 He had a mixed reputation, all of which was not good, but  
19 that is third-hand stuff, you know.

20 Q I understand.

21 A People have prejudices.

22 Q Do you recall any of your proprietaries ever  
23 complaining about Secord, his involvement in the air  
24 operations?

25 A Secord directly?

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1 Q Yes.

2 A NO.

3 Q As this operation was unfolding on Saturday, November  
4 23, was it your understanding that this was actually an  
5 NSC operation or that NSC was facilitating the flight for a  
6 private third party?

7 A My supposition was that it was an NSC operation,  
8 but nobody specifically spelled it out NSC.

9 Q I gather that you have had a working relationship  
10 with <sup>m</sup> [REDACTED] for some time; is that right?

11 A Well, I met him on three or four occasions.  
12 during the period I was chief [REDACTED]

13 Q You had, during that period, an opportunity to  
14 see how he acted as a proprietary manager; is that right?

15 A I understand, yes.

16 Q If he believed his crews may have been endangered  
17 by flights, going beyond the one on November 24 and 25, do  
18 you think he might have made up an excuse to shut the flights  
19 down?

20 A Made up an excuse to shut the flights down? He  
21 might have. It is all speculation but---

22 Q I understand.

23 A That was his personal, it is possible.

24 Q If he felt this operation might have been  
25 endangered by a future flight, notwithstanding it might

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1 been desired, is that something that could have been done?

2 A It is a possibility. I don't know of any cases  
3 he has done that. It is within the realm of possibility.

4 Q The name Schwimmer, or Swimmer, as you wrote it down,  
5 came up in the course of your work in the office on Saturday.  
6 I believe you testified that you assumed he was in Europe,  
7 is that right?

8 A That was my assumption. I understood he was an  
9 Israeli.

10 Q Who was it mentioning Schwimmer's name?

11 A Mostly North. That is my recollection.

12 Q When you say you understood he was an Israeli,  
13 did you have any understanding whether he was associated  
14 with the Israeli Government or a private citizen?

15 A I didn't have any idea.

16 Q How about Copp, did you have any idea whether  
17 he was a government man or a civilian?

18 A I didn't focus on that.

19  
20  
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1 [REDACTED]

2 [REDACTED]

3 [REDACTED]

4 [REDACTED]

5 MR. WOODCOCK: I don't have anything else.

6 EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

7 BY MR. CAROME: PO

8 Q Was it [REDACTED] practice to forward to you  
9 [REDACTED] written reports on his activities?

10 A Significant reports he would attach to [REDACTED]  
11 [REDACTED] PO made a sort of monthly report, and he would attach  
12 occasionally excerpts from reports [REDACTED] M gave to him.

13 Q Do you recall whether or not this Exhibit 3, which  
14 I understand is one of [REDACTED] M reports, was something  
15 that you saw after this was written?

16 A I don't recall that. If he had attached it to the  
17 report, I would have seen it.

18 Q You don't have a recollection of seeing this  
19 report; is that correct?

20 A No. If it had been attached I probably would  
21 have seen it.

22 MR. CAROME: That is it.

23 (Whereupon, at 1:40 p.m., the deposition concluded.)

24

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CIA AIR BRANCH  
CHIEF EX. #1

Air Branch

August 26, 1985

Memorandum to:

Subject: Activity 12-24 August 1985

FROM

Partially Declassified/Released on 3 FEB 88  
under provisions of E.O. 12356  
by K. Johnson, National Security Council

Our 707 left the flight from [redacted] to Tehran 13 July 1980, had previously reported. The cargo was reported to be 350 tons smokeless powder and detonators from Belgium and Israel.

The 707 returned 16 May

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20/10/1958

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Calliope requesting admission on 3/11/70

20 p.m. 336044, En. arriving 18' L X 2 1/2' W X 3 1/4' T. b.  
 would pick up & destination was Tel. and to [redacted]

The second ~~one~~ was de Liden, Co.  
To [redacted] and then to [redacted]

[redacted] D continued [redacted]  
and had the [redacted] change put in steadily. It  
later developed that the [redacted] he had heard.  
Lashed and departed from [redacted] heading out  
on the way to the flight instructor.

his final approval was given and I was advised that Richard COPP would be contacting about 2000. This did happen and by then I was the Federal Director was not aware.

Customer agreed to book plus all expenses  
and was to arrange fuel and overnights at  
B&B E66 for estimated 2 weeks. **CONF**  
and no problem with using only one ticket.

The first <sup>beration from</sup> ~~the~~ was scheduled for 2600 GMT  
Everything was ~~OK~~ and as ~~the~~ news, good (4a)  
News. DO 261900 3 3C 2/43

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10 m. ... Lat. [redacted] Called to [redacted] on  
that the 1st aircraft was late leaving

... He had diverted the second lot  
at the request of the Customs. The  
Customs had also requested my further  
movement of cargo to Taku. [redacted] <sup>the agent</sup> indicated the  
lot - The same lot he had earlier reported  
to us. [redacted]

Calculated to do this ~~with~~ indicated. He needed to  
 go to [redacted] to [redacted] and take money. [redacted] AD  
 passed this on to [redacted] and he to [redacted] [redacted] [redacted]  
 one (Denny). He called back that they were  
 considering it but did not want [redacted] money to  
 get out of touch with the Customer Long  
 enough to make [redacted] move.

To destination? why

Chickens & turkeys

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Date \_\_\_\_\_

29 Jan 87

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1900 12 March 1981 CBS report

2000 Called [redacted] He had seen and was standing by for instructions.

2015 Called [redacted] He had seen and not [redacted]

2200 Called to inform me that the fuel was moving [redacted] Staying in place.

1120 2301 [redacted] Called with some more questions should [redacted] be taken down

Routing - Entry Point Point 13 &amp; Time ETO [redacted]

NOTE: No direct [redacted] station - indicate at [redacted] Point dangerous - Comments.

8 mi min

m [redacted] 18 min After T.O.

ARRI

ALRAM 1:24 after mtr

1:42

Tehran 1:46

(15) TABRIZ not correct

IN [redacted] CIIN 2537

A/C Ready - no moving  
0550 - no Traffic Rights  
- no [redacted]REVIEW FOR RELEASE  
mib 20/10/81  
(15/10/81)1400  
ETO 1600  
1400  
3 BC 2/4  
A

C 6538

1135 - [redacted] guy at local store says [redacted] 8000. - [redacted] in 2  
 1150 [redacted] receipt. based on people at store. assurance  
 [redacted] [redacted]

[redacted] - ETA / Via. Bonus for Employees

have to travel. - land @ [redacted] 6K

14415 to UNload. → Two Group in the [redacted]  
 don't come back direct [redacted] → 2 + 62. D Local  
 1. aircraft. Very Rich guy →

130 + 1:30 + 1:30

+40 + 1:30

20:00 140  
 20:40  
 1:30  
 22:10

2000 2	20/	2100
2040 2		
2210 2		
0010 2	24/2	
1410 2	24/2	

Don't ground [redacted] No Cargo Doc  
 in North.

Just off.  
 2 1/2 hrs after Landing - [redacted]  
 19:00 [redacted] Tomorrow Evening  
 - 00:00 -

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MEMORANDUM

301185

30 Nov 8

CIA ABC

Ex. #3

Re: Mission TLV/THR

## 1. CHRONOLOGICAL REPORT

## PHASE I - Contact and Contract

Friday afternoon 22 Nov first info to me via [redacted] that I would be contacted concerning an urgent flight and that it was in our interest to perform those upcoming flts. At about 20 00 Local time I was contacted by a certain Mr. Richard Copp [redacted]. He asked me whether I had already been informed about a mission, which I denied. He then explained to me that there had to be 3 flights done as quickly as possible "Government to Government" from Tel Aviv [redacted]. After a short discussion we agreed that we could do it with 3 aircraft consecutively for a flat fee of 60 000.00 USD plus fuel, land, handling had to be paid by him. Further it was agreed that second Boeing would be made available on request should the matter get urgent. During my subsequent phone conversation to our [redacted] I referred to my MEMO 211185 [redacted] and questioned the way it was displayed to me and supposed that this cargo was the same as in my memo indicated. This was [redacted].

## PHASE II - Positioning

Our Boeing [redacted] had just arrived [redacted]

The aircraft was taken over by [redacted] and [redacted] departed to [redacted]. Capt. [redacted] had the order that upon the receipt of the code "Celis" he would find an excuse for the customer and depart [redacted] Tel Aviv, filing officially for [redacted]. Traffic rights for [redacted] flight [redacted] were tentatively applied for by our [redacted] should this become necessary.

Our second Boeing was parked in [redacted] and [redacted] not far before the airport opened the next morning. At the time I had made the agreement with Copp [redacted] about 0100 G. The crew [redacted] which was supposed to [redacted] flight [redacted] the next day [redacted] was therefore alerted concerning the early departure of this aircraft to Tel Aviv. After the airport had opened the fuel company [redacted] available for fuelling this aircraft [redacted]. At about this time I was informed by Copp that pallets had to be taken along. [redacted] Our own pallets were stored in the [redacted]

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hangar. [redacted] Due to the shortage of time we decided to let the aircraft fly [redacted] to pick up the pallets instead of transporting them [redacted] ground transport.

[redacted] The pallets had been put on a forklift in the meantime and our mechanic was waiting for the aircraft to arrive. After the aircraft had arrived the pallets were loaded and the aircraft continued to fly to Tel Aviv after having refuelled a little because of the extra flying time [redacted].

In the meantime Capt [redacted] together with [redacted] and an *Copilot* additional loadmaster [redacted] had arrived from Paris via train and were also on board when the aircraft departed finally at about [redacted] It arrived in TLV at [redacted] (23 Nov)

Due to this departure delay, Copp had requested from me to also put the second aircraft into this operation due to the utmost urgency of the mission. *IT WAS* Therefore the code word was transmitted [redacted] and after unloading [redacted] fuelled and departed to TLV [redacted].

The overflight rights had been granted in the meantime [redacted] landed at [redacted] on the 23 Nov in TLV [redacted].

### PHASE III - Loading

Although Richard Copp, [redacted] had said to me that the loading was planned to take 5 hours but would be speeded up to 2 hours. [redacted] which had first arrived, had loaded one piece out of 19 pieces in 4 hours. Therefore [redacted] a time all concerned parties were concerned that the [redacted] would take as long as possibly 24 hours. Therefore and [redacted] obviously traffic rights had not been granted [redacted] I was told that now the load had to be transported [redacted] This confirmed my initial suspicions and it was obvious to me that several things had to be changed. (Copp [redacted] hours before that the traffic rights in [redacted] issued and the [redacted] was informed [redacted] my crew told me that in TLV everyone knew that they had already been turned down and that the real deal was [redacted])

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I was given the contact of Mr. A. Schwimmer in TLV by Mr. Copp and he talked to Schwimmer several times on the phone.

I told him that we could not fly to THR with an American registered aircraft and that we therefore had to unload [redacted] again.

He tried several times to convince me and even offered to paint a different registration on the aircraft and do some kind of formation flying into THR. Keeping in mind that all phone conversations to Israel might be listened to, I told him that we were a normal Airline and wanted to stay in business some time to come and that the only way to do it was the correct way for us to do it. Therefore [redacted] was unloaded again.

In addition to that I explained to him that we needed traffic rights for overflight [redacted] which we had applied for tentatively the moment the real nest had come out, but only for [redacted].

And also we estimated that it would take time to get those rights. In addition I had conferred with [redacted] and was told that those traffic rights would be supported diplomatically and that we could count on the [redacted].

I was in touch with [redacted] all the time and verified all [redacted] them. In fact [redacted] was in Schwimmers home and we negotiated there that we needed 30 000 USD in order to go to the new destination because we had not planned on it and therefore did not enough cash with us. Also we did not trust them that everything was paid in THR. Schwimmer came up with 8000 USD and lengthy discussions because it was Sunday in the meantime and we could not get more money.

PHASE IV - Flight [redacted] performed

According to the new agreement between Schwimmer and [redacted] [redacted] had been unloaded again and departed [redacted] on Sunday the 24 Nov.

[redacted] did this flight and took all extra crew back except for the second loadmaster because it had become obvious to us that the TLV/THR route could be flown by one crew due to the lengthy loading and unloading procedures. In the meantime Schwimmer confirmed that [redacted] traffic rights for overflight [redacted] had been confirmed [redacted] we could go with [redacted] as soon as it was loaded.

However, the last moment they decided to [redacted] our agreement that the aircraft should land [redacted] before going on to THR. This required additional funds by us [redacted] had to be defuelled in TLV because it would have [redacted] for landing [redacted] and had to refuel [redacted] this mission [redacted] [redacted] money but even after long discussions Schwimmer [redacted] applied another 2000 USD which gave [redacted] about [redacted] together with the cash he had in his ships funds.

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Date

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Finally we gave the green light for ~~\_\_\_\_\_~~ <sup>the captain</sup> to take off and he left TLV with ~~\_\_\_\_\_~~ on the 24 Nov. Since arrival it had taken him exactly 24 hours for loading and clearing all the problems.

After arrival ~~\_\_\_\_\_~~ <sup>the captain</sup> had new problems as the customer and especially the military in TLV had not only not given him any documents for the load but also had taken out every evidence which might have proved that the aircraft was in TLV. Customs ~~\_\_\_\_\_~~ therefore did not want to release the aircraft unless documents were produced and therefore the load also had to be inspected. Finally ~~\_\_\_\_\_~~ <sup>the capt</sup> wrote a cargo manifest himself, which was accepted although it had no stamp of the departure point and finally he could talk his way out of this situation. Finally he therefore left at ~~\_\_\_\_\_~~ direction ~~\_\_\_\_\_~~ as planned.

However, nothing was prepared for overflight ~~\_\_\_\_\_~~ and he had again to talk his way through. Since they repeatedly insisted on a diplomatic clearance number, he made one up which was not accepted after long negotiations and then he filibustered one hour and 30 min his way ~~\_\_\_\_\_~~, using different altitudes, positions and estimates that he told ~~\_\_\_\_\_~~ with whom he was obviously in radio contact. ~~\_\_\_\_\_~~

However, radar realized his off-positions which gave additional reasons for arguments and delays.

At the THR border ~~\_\_\_\_\_~~ received without any problems but he did not have to say the code "I am coming for Mustafa" because Radar treated him very normally. Finally he landed ~~\_\_\_\_\_~~ on the 25 Nov (Monday)

#### PHASE V - Unloading

After landing in THR the aircraft had to remain on the runway for about 10 min until a "follow me" came and directed them to the parking area which was on the military side. The landing had been done on runway 29 r and the aircraft was directed to the south of this runway onto the the north/west part of the southern military apron. At this location the aircraft had parked also during our last flight a few ~~\_\_\_\_\_~~. It is a special area which is surrounded by a high fence to the outside so that people outside the ~~\_\_\_\_\_~~ cannot see the aircraft.

~~\_\_\_\_\_~~ <sup>the captain</sup> was first contacted by an officer ~~\_\_\_\_\_~~ who directed the unloading later and who told him that they did not know about this flight and were surprised that it had come. 30 min after arrival a civilian with a ~~\_\_\_\_\_~~ on his back arrived at the aircraft and asked ~~\_\_\_\_\_~~ first: "What are the nationalities of the crew, what is the cargo, where do you come from?" Then he talked to ~~\_\_\_\_\_~~ <sup>the captain</sup> telling him that he should not

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He Captain  
 tell anyone including the military where the aircraft really came from. He then mentioned that they were expecting 4 more flights from TLV. He would like to see the same crew then due to security. When [redacted] was asking for money or arrangements of fuel, perking etc. he told him not to worry and that everything would be taken care of.

2 Supervisor then started to direct the unloading, one military and one civilian with submachine gun.

The TLV was sent to the officers Headquarters where they were told again by the civilian to keep their mouth shut about this and not talk to anyone about their mission.

Capt [redacted] then told him that our crew did not want to pass through passport and customs control because during the last flight it had taken several hours and they wanted to avoid that this time as they expected a quick unloading and then had to leave again. Therefore the civilian took them in a car through back roads off the airport and was not checked or stopped at the gate although even military had to present their id - cards at that gate. The trip to the Hotel took one hour and finally they arrived at the former Sheraton Hotel. (Different name now, could not remember)

All rooms were occupied and therefore they had to take a suite together. After being in the hotel for about 2 hours to the surprise of the crew they got a phone call that the aircraft was unloaded and that they would be picked up in a few minutes. This was 6 hours after the aircraft had landed. [redacted] had the captain remained at the airport for some time to see that the unloading really took place and that it was done correctly. Then the time in the office [redacted] and the trip to the Hotel had taken some time.)

However, after this alert it took 2 hours until the car finally arrived. In the meantime the civilian had apologized several times and the crew was offered coffee and cakes.

After arrival at the airport through the "backdoor" [redacted] required a permit number for overflight [redacted] in order to avoid the problem he had coming in. He refused to leave without. Therefore he and the civilian went to the Tower from where they tried to [redacted] obtain this number. After about 2 hours of trying [redacted] told them that the overflight was ok but they could not get a number. Also [redacted] told that the Air Defense of Iran was informed and that they could leave now which he finally accepted.

When the crew was taken over to the aircraft [redacted] realized that the aircraft had been towed to the civilian side. In the meantime and that it was being fuelled by civilian persons. [redacted] When [redacted] asked for full tanks (original mission) [redacted] because after all those problems which I was [redacted] had called [redacted] via Telephone from the Hotel. I [redacted] the possibility to take the aircraft directly back [redacted] if necessary) the civilian who had received him was very disappointed because he realized that so much fuel was not needed to go back to TLV. However [redacted] told him that he needed the extra for security.

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 He Captain  
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 He Captain

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## PHASE VI - Return flight

The aircraft took off at [REDACTED] on the 25 Nov, after 14:35 hours on the ground in THR.

The aircraft was directed by radar off the airways a little more to the north than normally, close to the Russian border.

Also [REDACTED] was given a special exit time which he had to meet in order to comply with the Iranian Air Defense.

Approaching Tabriz the aircraft was ordered down from FL 350 to FL 280, shortly before reaching [REDACTED] border again up to FL 350. (reason unknown).

No transponder was used in the Iranian airspace.

After arrival [REDACTED] was told by radar that the time he was accepted but that in future for further flights, the ok of the civil air was not enough but that he had to get also the ok of the Ministry of foreign affairs and that otherwise the aircraft would be turned back.

Based on all this information, I ordered [REDACTED] via radio to proceed directly [REDACTED] which we had planned initially.

The aircraft arrived [REDACTED] 26 Nov.

## GENERAL CONCLUSIONS

The mission was poorly planned and directed by our contract partners in a amateurish way.

1. [REDACTED] had been in [REDACTED] for about a week with [REDACTED] that the communication from [REDACTED] to THR.
2. Copp was sitting in [REDACTED] although [REDACTED] was not flown to and he as our contract partner could not [REDACTED] what was going on in TLV. C 2/43
3. In TLV the aircraft was on the military [REDACTED] loaded by high ranking military personnel who were not accustomed to this type of work. (The lowest ranking [REDACTED] Lieutenant) In addition they did not work much at all on [REDACTED] many coffee brakes. 26220
4. A certain Mr. A. Schwimmer which was introduced to me by Copp as the representative in TLV of Copp, was very pushy with the military, sometimes to a point where he was insulting, but he did not understand the special aviation problems and did not have things under control. I.E. He seriously proposed to the Captain [REDACTED] to change the registration of the

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C [redacted] aircraft and to forge the respective papers "in 2 hours". This was turned down by [redacted] and also by myself when Schwimmer mentioned it on the phone due to the before mentioned reasons.

Also the cash money which Copp had promised was not available and Schwimmer apparently did not know about this requirement.

5. The routing changes, destination changes, involved traffic rights were done too late and the crew grew more and more insecure as they are not used to this type of makeshift Airline direction and control.

6. The mission was still performed successfully because of the initiative the crew had displayed and because they are used also under adverse circumstances to complete the mission before problems will be discussed. However, this is not the way it can be done repeatedly because the good will will be worn out.

# PROPOSAL

As Aviation is a very complex business which requires a lot of experience from all concerned and also because the feed back information is so vital for the operation, the directly involved employees have to be part of the decision making and planning as early as during the contracting stage.

Had it not been a special flight, I would have delayed for about 2 days after I had learned about the change of Destination in order to have enough time for correct planning and the acquisition of the necessary traffic rights.

The little radar controller does not know political decisions and will not even be informed by his superiors. We experienced that time and again. Therefore all those things have to be presented in a normal way so that the controller simply has a dip in clearance number like he has for every other aircraft. This flight will look totally normal for him.

In other words: Those flights can be performed without any problem by only with the proper planning.

In order to have proper planning, the manager of the airline, who happens to be myself, should be heard before committing or making commitments to third parties and be part of the planning process.

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I therefore suggest that during the preparation process I should be invited to the meeting of the departments which are involved in the decision making.

I believe that there is the aspect of security and that the missions have to be done in a clandestine way. However, it cannot be worse than it was during this last mission and it could have been performed totally clandestine, had the above proposed meeting taken place in advance.

In addition to that, my presence during those meetings could provide the concerned officers who represent the different departments with useful feedback information so that for future planning some things can be ruled out right away without even going into detail whereas others can be accepted right away without checking details.

In addition to that, the single missions or tasks to be performed should be part of a strategy which I am sure exists, but which I am not aware of in detail. Knowing the all-over strategy it would be easier to plan certain missions and it would even be easier to plan the budget which defines whether new airplanes have to be purchased/leased or others have to be sold.

In short: I would appreciate if I could be given more responsibility by being more part of the team as far as the planning of the aviation aspects are concerned. I think it is a waste of experience and information when it is not made part of the planning process. I also like to make sure that I am not on a "ego trip", but that I have the success of our company in mind which last not least is also the success of this country.

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TOT: 23 NOV 85

DIRECTOR 627576

SECRET

STAFF 23 DIRECTOR 627576

TO: FLASH

SUBJECT: NSC REQUEST

1. WE HAVE UNDERWAY IN THE NEXT 24-48 HOURS AN OPERATION AIMED AT THE RELEASE OF THE WESTERN HOSTAGES SEIZED IN LEBANON. THE OPERATION INVOLVES THE MOVEMENT OF AIRCRAFT FROM ISRAEL TO IRAN AND REQUIRES AN ENROUTE STOP [REDACTED] WHICH WILL EASE PROBLEMS FOR OVERFLIGHT [REDACTED] A STOPOVER AT A MILITARY OR COMMERCIAL AIRFIELD [REDACTED] IN ORDER TO FILE FLIGHT PLAN FOR TABRIZ AND TO REFUEL WOULD GREATLY FACILITATE THIS EFFORT.

2. A TOTAL OF FIVE SORTIES ARE REQUIRED FOR THIS OPERATION. HOWEVER, IF [REDACTED] COULD AGREE TO ONE OF THESE OCCURRING IN THE NEXT 12 HOURS OR SO, IT WOULD ALLOW US TO SHOW OUR GOOD FAITH TO THE PARTY INVOLVED AND LIKELY RESULT IN THE RELEASE OF THE HOSTAGES. WE COULD THEN ENDEAVOR TO ACCOMPLISH THE OTHER FOUR SORTIES THROUGH OTHER MEANS IF [REDACTED] WERE UNWILLING TO ASSIST US FURTHER.

3. THE AIRCRAFT INVOLVED IS A COMMERCIAL BOEING 707 CARGO AIRCRAFT. REGISTRY NUMBER [REDACTED] OWNED BY [REDACTED] IF [REDACTED] ARE AGREEABLE, I WILL PROVIDE YOU WITH FLIGHT TIMES.

Declassified/Released on 3 Feb 88  
under provisions of E.O. 12356  
by K. Johnson, National Security Council

4. WILL YOU PLEASE GO TO [REDACTED] ON THIS IMMEDIATELY. YOU CAN DRAW ON ANY OF THE ABOVE IN MAKING YOUR PRESENTATION TO HIM. I WOULD ASK HOWEVER THAT YOU IMPRESS UPON HIM THAT WE NEED ABSOLUTE DISCRETION IN THE MATTER. YOU CAN ALSO ASSURE HIM THAT THIS OPERATION IS OF GREAT INTEREST TO THE HIGHEST LEVELS OF THE USG AND IF IT WILL HELP I CAN ARRANGE FOR BUD MACFARLAND TO CALL WHOMEVER [REDACTED] MIGHT SUGGEST. NEEDLESS TO SAY, THAT IF [REDACTED] ASSIST US THEY CAN EXPECT TO RECEIVE MENTIONS IN DISPATCHES, APPROPRIATE LETTERS OF APPRECIATION FROM OUR PRESIDENT, ETC. AGAIN, I MUST STRESS THAT DISCRETION IS THE KEY ELEMENT WHICH YOU SHOULD STRESS TO [REDACTED] IN PRESENTING THIS MATTER. I WOULD ALSO ASK THAT YOU KEEP KNOWLEDGE OF THIS OPERATION LIMITED TO YOURSELF WITHIN [REDACTED] AND THE AMBASSADOR NEED NOT REPEAT NOT BE INFORMED. HOWEVER, IF [REDACTED] NEEDS TO BOUNCE THIS PROPOSAL OFF THE PRIME MINISTER OR SOMEONE SIMILAR WHO MIGHT BRING IT TO THE AMBASSADOR'S ATTENTION, I WILL SEEK SPECIAL AUTHORIZATION FOR YOU TO BRIEF HIM. BEST REGARDS AND WHY DO THESE ALWAYS HAPPEN ON THE WEEKEND.

5. FILE: NO FILE. DECL OADR DRV HUM 4-82. ALL SECRET.  
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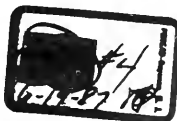
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REVIEWED FOR RELEASE  
Date 20 APR 1989

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UNCLASSIFIED  
SPOT REPORT

25 November 1985

SUBJECT: NSC Requirement for Covert Airlift

At the request of the NSC on 24 November [REDACTED] proprietary Boeing 707 transported sensitive cargo from Tel Aviv to Iran. This was a fast breaking requirement for a controlled non-U.S. registered commercial airlift. We are pleased [REDACTED] proprietary was able to successfully handle this sensitive and dangerous airlift which involved a routing from Tel Aviv to [REDACTED] over [REDACTED] into Iran. The aircraft is still unloading in Teheran and should depart this morning. More flights are expected this week.

29 Nov 85

Distribution:

Orig - DDO

2 - AB:chrono [REDACTED]

Originally Declassified/Released on 9 FEB 88  
under provisions of E.O. 12356  
by K. Johnson, National Security Council

(5131)

REVIEWED FOR RELEASE  
Date 12 DEC 86

CL BY [REDACTED]  
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CIA ABC Ex #6

7 December 1985

5132

MEMORANDUM FOR THE RECORD

SUBJECT: MSC Mission

Partially Declassified/Released on 3 Feb 88  
 under provisions of E.O. 12356  
 by K. Johnson National Security Council

1. On Saturday, 23 November 1985, Ed Juchniewicz asked me if I was aware of all the activity transpiring on the effort to get the hostages out. He showed me a cable to [redacted] asking that we pass a message to the charge from the Deputy Assistant to the President for National Security Affairs. The message assured the charge that only the Secretary of State and Ambassador Oakley were aware of the operation. I told Juchniewicz that I was unaware of the specifics of the operation but due to the sensitivity of the operation, it was appropriate that we pass correspondence between the MSC and the ambassadors overseas, but only communications, that we could not be involved without a Finding.

2. On Monday, the 25th of November, while visiting the Office of the DDO [redacted] was present and had given Clair George a Spot Report on a flight that [redacted] had made in support of the MSC mission. I went through the overhead pointing out that there was no way we could become involved in any implementation of this mission without a Finding. Mr. Juchniewicz explained that we did not make the arrangements. When General Secord visited the Agency he tried to get leads on airlines that might be available to move equipment to the Near East in a secure fashion. We told him we did not have any such airlift capability. However, Mr. Juchniewicz said it was pointed out to General Secord that there was a commercial airlift that might do it owned by [redacted]. General Secord then took it from there and made arrangements for a flight on a strictly commercial basis.

3. Somewhat distressed at this turn of events, I immediately informed our General Counsel after confirming with Dewey Clarridge our involvement. I instructed the [redacted] personnel to immediately go over and brief the General Counsel and so advised the General Counsel at 6:15, the evening of 25 November. He informed me later that night that a Finding would be required, not so much from the airlift standpoint, but from our involvement in influencing foreign government officials to assist the mission. A Finding [redacted] was required. The Finding was cleared, with the Director who called McFarlane and Don Regan to ascertain that indeed this had Presidential approval and to get assurances that a Finding would be so signed. After repeated calls to MSC personnel on 27 November and during the week of 2 December continuously receiving reassurances of the President's intent to sign the Finding, we were notified on 5 December that indeed the Finding was signed. [redacted] directed us not to inform Congress for the reasons of the safety and secure release of the hostages until he so directed.

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4. (On 25 November the Ambassador in [redacted] personally [redacted] noting that Ambassador [redacted] cabled the Director to talk to the Director on the telephone. In response, I released a cable to the Ambassador assuring him that the operation that he had been briefed on by the DCM was initiated by the National Security Council but suggesting it would not be wise to attempt to reactivate our request to get [redacted] approval.)

*John H. McMahon*  
John H. McMahon

C11N 1124

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Executive Registry 32,533

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TO: FL

SUBJECT: NSC REQUEST

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Partially Declassified/Released on 3 FEB 88  
under provisions of E.O. 12356  
by K. Johnson, National Security Council

1. ACTION REQUESTED: FLASH RESPONSE SOONEST TO REF AND FOLLOWING.

2. [REDACTED] MET WITH AMB [REDACTED] AT [REDACTED] HOURS. AMBASSADOR WAS ALSO CONVOKED. [REDACTED] QUITE UPSET. MULTIPLE FLIGHT PLANS RECEIVED. FACT FIRST FLIGHT CAME DIRECTLY FROM [REDACTED] AND DID NOT REQUEST CLEARANCE BEFOREHAND AND [REDACTED] TOLD [REDACTED] INDUSTRY SPARE PARTS. [REDACTED] TOLD [REDACTED] EQUIPMENT. [REDACTED] TOLD [REDACTED] GROUND CONTROLLERS HE WAS CARRYING [REDACTED] EQUIPMENT.

3. [REDACTED] CARRIED THE CAN ON THIS [REDACTED] TO INVOLVE AMBASSADOR AND DEPARTMENT (DEMARCHÉ WILL NOT BE [REDACTED] OTHER THAN IN THIS CHANNEL).

4. BOTTOM LINE IS THAT [REDACTED] STILL [REDACTED] TO ASSIST BUT HAS DEVELOPED A LITTLE CYNICISM ABOUT OUR INTERACTION WITH THEM ON THE MATTER. [REDACTED] AGREED THAT FURTHER FLIGHTS COULD PROCEED. [REDACTED] SUBSEQUENT [REDACTED] ALSO INSISTS THAT PLANES FOLLOW NORMAL PROCEDURES, I.E. REQUEST OVERFLIGHT CLEARANCE AND THAT THEY DO NOT SHUTTLE FROM [REDACTED] AS NOTED [REDACTED] PLANES MUST NOT COME DIRECTLY FROM [REDACTED] THEY SHOULD TURN WEST AND PICK UP OTHER ROUTING. EVEN BETTER, WOULD BE NOT TO UTILIZE [REDACTED] AT ALL.

5. ANOTHER MATTER REQUIRING CLARIFICATION IS THE QUESTION OF AIRCRAFT. [REDACTED] HAS IMPRESSION FROM PAPERS FILED BY CARRIER THAT SAME PLANE [REDACTED] UTILIZED AND SHUTTLE FROM [REDACTED] THAT IS [REDACTED] IMPRESSION FROM EARLIER TRAFFIC. PLS CLARIFY.

6. THE SITUATION NOTED PARA 2 REF, I.E. SECOND FLIGHT THIS MORNING DID NOT EVENTUATE. WE NEED, HOWEVER, TO TRY TO EXPLAIN AWAY THE MULTIPLE FILED FLIGHT PLANS. IS IT PROBABLY THEY REPRESENT PLANNING PRIOR TO THE RESTRICTIONS PLACED ON FLIGHTS BY [REDACTED] IF SO, WAS THERE A BREAKDOWN IN COMMUNICATION? CHARTER CARRIER DID NOT GET THE MESSAGE? THIS IS A POSSIBLE EXPLANATION [REDACTED] PRESENTED TO [REDACTED]

7. IN ANY EVENT, WE ARE GOING TO HAVE TO TRY AND [REDACTED] THE [REDACTED] POINTS OUT THAT ATTEMPTS TO CIRCUMVENT THE GROUND RULES (EITHER CONSCIOUSLY OR THROUGH POOR COORDINATION) RUNS RISK OF A LEAK AND BAD PUBLICITY, HARMFUL MORE TO U.S. THAN [REDACTED]

REVIEWED FOR RELEASE

DATE 12 APR 1987

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DIRECTOR 628289

SECRET

TO:

DIRECTOR 628289

SUBJECT: MSC REQUEST

-REF: A

1. YOU MAY ASSURE [REDACTED] THAT WE WILL NOT USE [REDACTED] FOR ANY FURTHER FLIGHTS NOR WILL THERE BE ANY SORTIES UNTIL [REDACTED] WHAT I NEED TO KNOW IS CAN WE PROCEED WITH A FLIGHT TRANSITTING [REDACTED] LATE EVENING 27 NOVEMBER/EARLY MORNING 28 NOVEMBER OR DO WE WAIT UNTIL THE EVENING OF 28 NOVEMBER.

2. PLEASE TELL [REDACTED] THAT WE REGRET THE ENORMOUS AMOUNT OF CONFUSION SURROUNDING LAST NIGHT'S SORTIE. YOU ARE INDEED CORRECT THAT PLANS BEING MADE AT POINT OF THE AIRCRAFT'S ORIGIN WERE OVERTAKEN BY [REDACTED] ACTIONS PLACED ON THE FLIGHTS BY [REDACTED] OUR PROBLEM IS [REDACTED] ARE ONLY BROKERS IN THIS MATTER AND DO NOT HAVE DIRECT COMMUNICATIONS WITH THOSE RESPONSIBLE FOR ORIGINATING THE SORTIES OR THE FLIGHT CREWS. THIS IS BASICALLY A COMMERCIAL TRANSACTION AND INVOLVES AIR CHARTER COMPANIES OVER WHICH WE HAVE NO DIRECT CONTROL. MOREOVER, THERE ARE NO AGENCY PERSONNEL ON THE GROUND AND IN CONTACT WITH THE INDIVIDUALS ORIGINATING THE FLIGHTS. THUS, OUR COMMUNICATIONS WITH THE LATTER ARE SLOW AND TENUOUS AT BEST. THIS WHOLE OPERATION HAD TO BE PUT TOGETHER IN VERY SHORT ORDER AND NOW THAT WE HAVE A COUPLE OF DAYS TO PLAN THE NEXT SORTIE, I THINK WE CAN ASSURE YOU AND YOU IN TURN CAN ASSURE [REDACTED] THAT THE NEXT SORTIES WILL GO MORE SMOOTHLY AND IN LINE WITH [REDACTED] REQUIREMENTS.

3. EQUIPMENT ON BOARD IS INDEED SPARES FOR THE OIL INDUSTRY BUT THAT IS NOT TO SAY THAT IT MAY NOT ALSO HAVE SOME SPECIALIZED MEDICAL EQUIPMENT OR SUPPLIES MIXED IN WITH IT. I SIMPLY CANNOT UNDERSTAND WHY THE PILOT TOLD GROUND CONTROLLERS HE WAS CARRYING MILITARY EQUIPMENT, BUT PERHAPS THAT IS WHAT HE THOUGHT HE WAS TRANSPORTING.

4. I AM VERY INTERESTED IN THE POSSIBILITY OF USING [REDACTED] FOR AT LEAST ONE OR MORE OF THE NEXT SORTIES. CAN [REDACTED] ASSIST US IN ARRANGING FOR THE USE OF THIS FIELD?

5. ALL HERE VERY MUCH APPRECIATE YOUR EFFORTS OVER PAST WEEKEND ON THIS VERY IMPORTANT OPERATION. YOU MAY [REDACTED] THAT THEIR COOPERATION IS NOT LOST ON HIGH/LOW AUTHORITIES HERE. FINALLY, I ASSUME FROM REF B THAT OUR AMBASSADOR IS FULLY WITTING OF THIS OPERATION. PLEASE CONFIRM SO THAT I MAY ADD HIM TO THE BIGOT LIST AND INFORM THE NSC. BEST REGARDS AND THANKS.

REVIEWED FOR RELEASE

20 APR 1982

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CIN 2184/2

Partially

Declassified/Released on 3FC688  
under provisions of E.O. 12356  
by K. Johnson, National Security Council

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Special FLIGHTS  
to LON 76Classified/Released on 3FC488  
by provisions of E.O. 12356  
Johnson National Security Council

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Description

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 - From LON to LON

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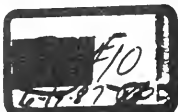
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Declassified/Released on 3 FEB 88  
under provisions of E.O. 12356  
by Johnson National Security Council

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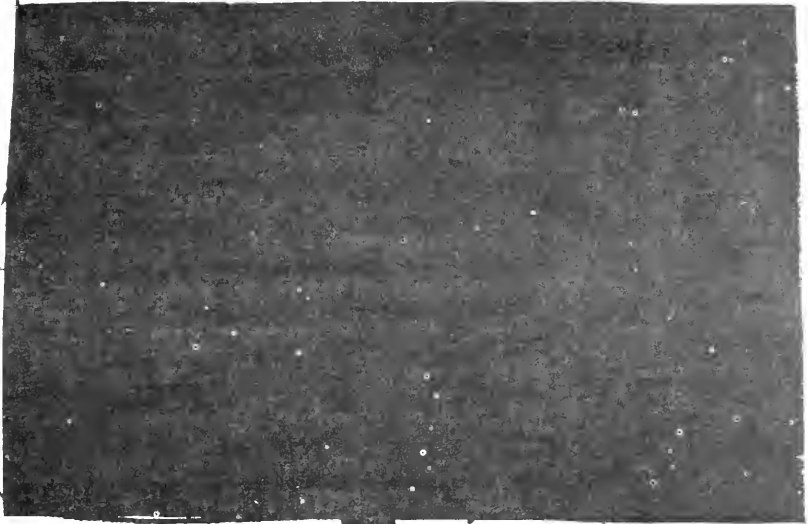
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*Reimbursement*



*A review of [redacted] records  
indicated that the following funds  
have not been recorded is as follows by [redacted]*

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under provisions of E.O. 12356  
by Johnson National Security Council

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CIA AIR BRANCH DEPUTY CHIEF

DEPOSITION OF [REDACTED]

Friday, June 19, 1987

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U.S. House of Representatives,  
 Select Committee to Investigate Covert  
 Arms Transactions with Iran,  
 Washington, D.C.

4148

The Committee met, pursuant to call, at 9:00 a.m.,  
 in Room 2226, Rayburn House Office Building, with Patrick  
 Carome, House Select Committee, presiding.

Present: On behalf of the House Select Committee:  
 Patrick Carome.

On behalf of the Senate Select Committee: Timothy  
 Woodcock.

On behalf of the Witness: Rhonda M. Hughes,  
 Legislative Counsel, Office of Congressional, Affairs,  
 Central Intelligence Agency and Phyllis Prorost McNeil,  
 Central Intelligence Agency. Partially Declassified/Released on 1-5-88

under provisions of E.O. 12356  
 by N. Menan, National Security Council

3B of 3

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1 Whereupon,

2 [REDACTED]  
3 having been first duly sworn, was called as a witness herein  
4 and was examined and testified as follows:

5 EXAMINATION ON BEHALF OF HOUSE SELECT COMMITTEE

6 BY MR. CAROME:

7 Q Just for the record, my name is Patrick Carome.  
8 I am staff counsel to the House Select Committee to Investi-  
9 gate Covert Arms Transactions with Iran. Our committee  
10 has been set up to look into the Iran affair, and U.S.  
11 support for the contras as well.

12 Our committee is constituted pursuant to rules  
13 and a resolution which the Central Intelligence Agency  
14 has been provided with. For the record, I am now providing  
15 you with copies of each of those items. It may be that  
16 part way into this deposition this morning an attorney  
17 from the parallel Senate Committee will be joining us, and  
18 he may also be asking some questions.

19 If at any time there are any questions that I ask  
20 you that you don't understand, please don't hesitate to  
21 ask me to clarify it. I would like to help you out in any  
22 way I can on that score.

23 Why don't we begin by your telling me your name and  
24 your current position?

25 A My name is [REDACTED]

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PAGE 3

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Q I take it [REDACTED], at one time you were deputy chief [REDACTED] at CIA headquarters; is that right?

A Yes.

Q During what period of time were you in that position?

A About '84 to '86.

Q Do you know the months when you began and ended there? I wonder if you can be more precise with the time frame.

A I don't recall precisely. It was mid '84 to when I departed in January of '87.

Q So through all of '86 you were deputy chief [REDACTED] [REDACTED] is that right?

A Yes.

Q I take it at that time you would have reported to [REDACTED] is that right?

A [REDACTED] was -- there were a series of branch chiefs; [REDACTED] being the one during most of that time, about a year and a half.

Q In November '85, for example, you were deputy chief [REDACTED] and [REDACTED] was chief [REDACTED]

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1 [REDACTED] is that right?

2 A Yes.

3 Q Turning specifically to the November 1985 time  
4 frame, were you at that time aware of an operation  
5 involving [REDACTED] on a mission to Iran?

6 A No, I was not aware of it.

7 Q Just so it is clear, it is your testimony [REDACTED]  
8 [REDACTED] that you, in November <sup>1985</sup> ~~1983~~, heard nothing about a  
9 [REDACTED] flight to Iran; is that right?

10 A That is right.

11 Q Did you later learn of such a flight?

12 A I have heard some hearsay, but nothing precise.

13 Q When was the first time you heard anything at all  
14 about that flight?

15 A I never heard of a flight to Iran, but I heard  
16 of some of our aircraft -- well, actually I couldn't recall  
17 anything connected with Iran on any of that, but I heard of  
18 some tasking for aircraft.

19 I was never told precisely what it was, and I  
20 could never even-- I could not say that it was to Iran. I  
21 never did hear that. Even to this day, I have never heard  
22 that said to me directly.

23 Q Let me just state that our committee knows that  
24 on November 24 and 25 a [REDACTED] plane flew from Tel Aviv  
25 to Tehran carrying Hawk Missiles. We knew that [REDACTED]

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1 was involved in that operation. We knew Dewey Clarridge  
 2 was involved in it, and we know that many people at the CIA  
 3 either learned of it at the time or later. It is your  
 4 testimony that you have never learned anything about that  
 5 flight.

6 A No, I was aware there was a compartment in what we  
 7 call the trade-bigoted operation. I was not involved  
 8 in that at that time. I had other duties at the time. I  
 9 have never heard -- [REDACTED] has never consulted to me on  
 10 that, and other than -- in fact, no one really has ever  
 11 really alluded to me that the airplane went to Iran.

12 I can sit here with my imagination and hear the news  
 13 and stuff and say maybe there is a connection, but I was  
 14 never briefed or involved in that activity, and that was  
 15 compartmented as many of our activities are. I will take one;  
 16 someone else will take one. That period of activity that  
 17 involved these aircraft, I was not tasked on that.

18 I never went and questioned those folks on that  
 19 because that is the policy most of us use. Now, you know,  
 20 if I hear something in the news and if I hear you say that,  
 21 and I hear somebody refer to a covert flight, that to me is  
 22 hearsay. I can't say that it happened. I don't have  
 23 evidences that that happened.

24 MR. CAROME: Off the record just a second.

25 (Discussion held off the record.)

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1 MR. CAROME: Let's go back on the record.

2 THE WITNESS: The vagueness of something like that--

3 I can't just come in and tell you that my imagination, or  
4 collection of things I might have saw on TV, or comments--  
5 I <sup>can't</sup> can tell you I know about that because I don't know about  
6 that.

7 BY MR. CAROME:

8 Q Putting aside the destination of the flight,  
9 did you ever speak to either [REDACTED] or [REDACTED] or anyone  
10 else at [REDACTED] about a November flight by [REDACTED]

11 MR. MCNEIL: Who is --

12 THE WITNESS: [REDACTED]

13 MR. CAROME: [REDACTED] I'm sorry.

14 THE WITNESS: They refer to it, as they often do.  
15 They were very busy with some aircraft and -- which is not  
16 unusual for anyone to say I have had a busy weekend, or this  
17 thing is really tying us up; don't bother us now. But other  
18 than that, they did not refer to me other than would be  
19 normal, a normal comment by any of our people who pick up  
20 these projects that could be anything and say, "Listen, are  
21 we really busy for these last few days?"

22 If I have been gone on TDY or something and some-  
23 body comes back and says, "We are really busy working some  
24 airplanes. Is there anything I can do to help?" If it is  
25 a no, and they went away, and I didn't press and they

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1 weren't prone to ask me for assistance, it would go by the  
2 board because I would be looking for the next job they had.  
3 To me, it would be a natural evolution for them to come and  
4 say, "Listen, we had to work two or three days. We are very  
5 busy," and I would say, "Need any help?" They would say, no.

6 I would go on to the next tasking and start working  
7 on something else. If it was compartmented or appeared to be  
8 very compartmented or bigoted, I would not  
9 press them for information.

10 Q Are you saying you had such a conversation with  
11 them at the time they were working on this flight?

12 A I didn't say I did, but I would recall that would  
13 be the natural trend of things that would happen because  
14 that would have been no more unusual than dozens of other  
15 taskings that we do from various customers.

16 Q Do you have a specific recollection about the  
17 time when [REDACTED] and [REDACTED] were working the [REDACTED]  
18 [REDACTED] flight I am talking about?

19 A I have a specific recollection when I believe the  
20 case was, and I came in on a Monday morning or whenever it  
21 was and said, "God damn we have really been busy." I  
22 said something like why didn't you call me. I could have  
23 helped.

24 They said, "Don't talk about it." Okay, fellows,  
25 what next?

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1 Q Who did you speak to that Monday morning?

2 A Probably [REDACTED] and I work closely. But

3 [REDACTED] says -- if that was the weekend, if that was the  
4 period of time you are alluding to, I cannot even verify that  
5 that was the same activity. But I remember we were very  
6 busy, and I responded to it, and he says he didn't want  
7 any assistance, so I went on to other things.

8 Q Were you aware [REDACTED] came up that Monday.

9 A [REDACTED] used to come to [REDACTED] once  
10 every week, once every two weeks. He was there frequently.

11 Q You can't place them at headquarters that day;  
12 is that right, that Monday.

13 A I couldn't differentiate that Monday from any  
14 other Mondays or other days that he came because [REDACTED] that was  
15 part of his job was to come up and talk and consult with  
16 people and do his work.

17 Q Were you aware [REDACTED] had moved weapons in  
18 November? Putting aside the destination, just that they  
19 had moved weapons.

20 A No. Because I was peripherally asked to help  
21 [REDACTED] I didn't get into the close details of the  
22 management.

23 Q You are not aware of [REDACTED] having moved  
24 weapons on November 1985; is that right?

25 A It would be impossible for me to verify something

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1       like that. I couldn't state that I was aware of moving  
2       weapons during November. I don't recall an incident, and  
3       I don't recall being involved where I was tasked or  
4       knowledge of an airlift or a cargo or any involvement with a  
5       transaction like that.

6           Q     This Monday that you recall coming in and [REDACTED]  
7       telling you it had been a busy weekend, I take it you were  
8       not in headquarters at all that weekend. Is that right?

9           A     Usually we worked Saturday mornings, and I don't  
10      recall -- it was commonplace for us to work Saturdays,  
11      but I don't recall that weekend whether I worked that  
12      Saturday or not. If I did, I wasn't aware that they were  
13      working on something else. But then that would have been  
14      common place, too, for people to be very busy on one thing  
15      or another, and I could be taking care of my work and not  
16      really be too involved in their work on a Saturday morning.

17          Q     Were you aware that [REDACTED] had been involved  
18      in a mission in support of the National Security Council  
19      Operation at that time; that is November 1985?

20          A     No, I wasn't. I wasn't aware of any involvement  
21      with the National Security Council. At least no one told  
22      me National Security Council interest was involved in any  
23      of our airlifts.

24                We work with many divisions on assisting them with  
25      air support. Usually I am talking to a representative of

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1 one of the agency divisions. It is not necessary for him  
2 to tell us all of the other involvement. He is talking to  
3 us about moving an airplane from point A to point B, can  
4 we do that or can't we, and how much can it carry and what  
5 is the flight plan involved, and that sort of thing.

6 But that is the support function that we serve.  
7 I have learned I don't have to ask questions about the other  
8 things, and it is best not to. So I was not aware of any  
9 national security involvement in anything that I did.

10 Q During the period of 1986, when you were still  
11 Deputy Chief [REDACTED] were you aware of any  
12 [REDACTED] activity in support of any movement of arms to  
13 either Israel or Iran?

14 A No, I was not aware, and I could never have been  
15 specifically told any aircraft I was asked to position or  
16 support that either one was a destination.

17 Q Were you involved in any facilitation of pick-ups  
18 of weapons cargo bound for the Middle East from U.S.  
19 air bases even if it didn't involve a CIA airplane?

20 A I have helped schedule airplanes to the position  
21 at an air base. I wasn't involved in the destination or the  
22 planning of that, but I am sure that I helped myself and  
23 delegated my subordinates to work with people to position  
24 airplanes for customers or different authorized agency  
25 users. But I have never knowingly, or no one has ever told

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1 me I was positioning an airplane to deliver arms to Israel  
2 or Iran, and whether that was kept from me intentionally,  
3 or whether that went over my head, but for doing my job at  
4 the time of positioning an airplane, that didn't come up.  
5 I didn't need to know that, and I probably didn't ask that.  
6 If it was a situation where I was working with an authorized  
7 user, that was his job; that wasn't mine. I put airplanes  
8 in places, order them and make sure they fly safely.

9 Q Were you involved in any facilitation of  
10 Southern Air ~~Force~~ Transport planes making a pick-up in  
11 the United States?

12 A I recall one time that we were consulted on how to  
13 position a commercial airplane in an Air Force base.

14 Q What Air Force base was that?

15 A Kelly.

16 Q That is in Texas; is that right?

17 A Yes.

18 Q This matter that you are discussing involved  
19 Southern Air Transport; is that right?

20 A That was -- yes, that is right.

21 Q Who tasked you to work on that matter?

22 A That probably came down to our own chain of  
23 command of our special activities section as most tasking  
24 is, and we were directed to go through an -- I think it was  
25

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1       probably can you -- what do you need to do to position  
2       an airplane at an Air Force base.

3           Q       Who asked you to work on that?

4           A       If it was not the chief, it was [REDACTED] who  
5       would be my next chain of command.

6           Q       What time did this occur?

7           A       Oh, God!

8           Q       Was it February 1986?

9           A       I thought it was later than that. It could have  
10       been about that. I can't specify exactly when it was, but  
11       it was, it could have been about that time.

12          Q       Is that the only time you remember working on  
13       a matter that involved Southern Air Transport planes.

14          A       Yes. Because we never considered Southern  
15       Air Transport as a good commercial company to go to anyway.

16          Q       Why is that?

17          A       They were somewhat tainted from their involvement  
18       in the agency years ago, and we didn't think that was good  
19       practice to use them.

20          Q       Are you saying their cover could have been broken  
21       earlier, and it was a mistake to use them again?

22          A       No. They were a straight commercial company,  
23       have been for years. What we understood is that 15 years  
24       or so ago Southern Air Transport was associated with the  
25       agency and that had long been absolved and they were a

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1       stray commercial company, but still the newspapers  
2       occasionally refer to them as a one-time agency and  
3       involved company. So we always considered that was not  
4       good practice to use a company that had that taint to it.

5           Q     What did [REDACTED] do in connection with these  
6       flights by Southern Air Transport?

7           A     As I recall, on that one-- and I think I assisted  
8       on that one because for a commercial aircraft to land at  
9       an Air Force base you must show the Air Force that you have  
10      insurance; that you have your aircraft registered; that  
11      you have an air worthiness certificate; that your pilots are  
12      all licensed pilots and insured, and you have to show  
13      those documents to the Air Force, and you have to have a--  
14      what is called prior approval to land.

15                If you have those things, and usually the prior  
16      things I mentioned, results in an approval to land at an Air  
17      Force base because you have stated the things the Air  
18      Force needs to do that.

19                In this case, I recall saying these are the things  
20      that that airplane has to have, and you have to go to the  
21      air base representative and request approval, and he will ask  
22      you these things, show those things that need to be there.  
23      You have a supporting chance of landing there.

24           Q     Who did you give that information to?

25           A     I think I gave that to [REDACTED] I was talking to my

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1 immediate management, and I think I gave that back to him  
2 and said these are the things that you need to do to land  
3 at that base.

4 Q What do you understand [redacted] did with that  
5 information?

6 A I don't know exactly which customer he was  
7 working with, but I assume he gave it to the people who needed  
8 the airlift.

9 Q You knew of the involvement of Southern Air  
10 Transport, did you not?

11 A Yes. Because at that time that was one of the  
12 L-100's, and I was aware they wanted that kind of an airplane  
13 and that that was the one. So we advised them of the  
14 specifics of legally moving aircraft.

15 Q You did not suggest Southern Air Transport be  
16 used, I take it, is that right?

17 A We don't recommend that.

18 Q Someone else said Southern Air Transport is going  
19 to be involved, and they need to land a plane at Kelly;  
20 is that right?

21 A Yes.

22 Q It was [redacted] who probably told you that or  
23 [redacted]

24 A I can't recall specifically they told me that, but  
25 I was tasked to find out. My chain of command is [redacted]

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1 [REDACTED], and was [REDACTED]

2 Q Other than finding out this information about  
3 what needed to be done to land a commercial plane at an  
4 Air Force base, what else did you do in connection with  
5 that flight?

6 A I couldn't recall. Usually when anything like  
7 that comes up, I keep a little file on it and list telephone  
8 numbers of people involved and the activities, the ongoing  
9 things, action required, and in that case I don't recall  
10 doing much more than advising people on how to move an  
11 aircraft.

12 Q Did you advise anyone outside the agency on how  
13 to move an aircraft?

14 A I don't think so. It would be unusual for us  
15 to do anything like that.

16 Q So you were not in touch with the Southern  
17 Air Transport people or whoever it was that was trying to  
18 move something by Southern Air; is that right?

19 A No, in that case I don't recall talking to  
20 anyone at Southern Air Transport. I had no contacts in  
21 Southern Air Transport personally.

22 Q Were you aware that that was a matter relating to  
23 a National Security Council operation?

24 A I was not aware -- I have never been told any of  
25 the aircraft airlifts were associated with the National

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1 Security Council because in all my dealings, no one ever  
2 mentioned National Security Council. I hear the news  
3 now. I keep hearing National Security Council being  
4 involved, but during the busy work day, I was never advised  
5 that I was assisting or this was for them, so therefore  
6 I don't know that.

7 Q Do you have any knowledge concerning a May 1986  
8 flight by [REDACTED] carrying United States officials to  
9 Tel Aviv?

10 A No. I did not. I am not aware of any of that  
11 except I publicly heard officials were carried somewhere,  
12 but I have no knowledge of any agency involvement in that  
13 and I did not have any involvement in that I was aware of.

14 Peripherally, I assisted somewhere in a  
15 support activity I wasn't aware of it.

16 [REDACTED]  
17 [REDACTED]  
18 [REDACTED]

19 Q Did [REDACTED] to your knowledge ever work on an  
20 [REDACTED] matter with Dewey Clarridge?

21 A We have worked with so many people -- in a support  
22 activity that we probably work with every division and every  
23 component of the agency. Dewey Clarridge has been chief of  
24 several divisions. It would be most likely we would work  
25 with him frequently-- not frequently, but occasionally, I

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1 will say. So I would say I can't think of a specific case  
2 right now where [REDACTED] worked with Dewey on an air  
3 support activity, but we all know Dewey and over the years  
4 we have worked with Dewey. But right now I can't  
5 give you, unless you refresh my memory, I can't think of  
6 a specific case where I could just tell you.

7 Q Mr. Clarridge was involved in the November 1985  
8 [REDACTED] flight that I questioned you about at the  
9 beginning of this deposition. Were you aware that Mr.  
10 Clarridge was involved in that act?

11 A I didn't support Dewey on that. I didn't respond  
12 to any requirements to Dewey --

13 Q Did you know that on that matter [REDACTED]  
14 was in touch with Mr. Clarridge?

15 A No. If he was in talking with Mr. Clarridge  
16 on that matter, it would have been just one more of many  
17 matters that were involved in and wouldn't have been a  
18 very enlightening thing for me to focus my attention to  
19 anyway other than it is just one more customer we are  
20 working with. So if he would, in passing, say that to me,  
21 it would -- you know, I didn't regulate those things.

22 Q Have you ever met Oliver North?

23 A There was an occasion where I thought I had  
24 met him in passing because someone later says we met that  
25 fellow one time, and I say I don't recall meeting him, but

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I say if that was the case -- but he can't verify it other than that.

Q When was the time that that might have happened?

A It must have been five years ago or something. We were stopping by somebody in Fairfax or somebody and I stopped and said hello and shook some hands and went on my way and someone later was saying because of Ollie North's publicity, he said I think we have met him. I have never done business with him. I have never done professional business with him.

Q Who was this other person?

A I think it was one of the [REDACTED] guys about three years ago. I can't recall -- some of our officers were there. I can think of the name later maybe if it is important to you.

Q I am not sure that it is. Was this a social gathering?

A No, it was in passing, just as you meet some friends outside going to lunch, you shake hands and you go, pass and go. It is a very, very casual thing.

Q Have you ever spoken to Mr. North on the telephone?

A No.

Q Did you ever see Mr. North at the agency?

A Yes, I saw him at the agency one time.

Q When was that?

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1 A It must have been three years ago.

2 Q Is that prior to 1985.

3 A Yes.

4 Q Who was he with?

5 A I saw him in the hallway and later on it was  
6 another casual passing, and that was connected with the  
7 other one, too. It was a case where -- all of these things  
8 come up after the fact, and you hear, you know, Ollie is  
9 a celebrity, and you go back and say, did you ever see  
10 him, and <sup>someone</sup> ~~someone~~ says, "Yes. Remember we saw him." But  
11 at the time those were vague recommendations somebody  
12 reminded you of.

13 I wasn't doing business with him at the time.

14 Q Have you ever met Richard Secord.

15 A Yes. I knew Secord when he was a major in  
16 Southeast Asia. I met him on half a dozen occasions  
17 in '68, 1968. And since then I have never seen him.

18 Q Have you ever spoken to him since, on the telephone  
19 or otherwise?

20 o No.

21 Q Were you aware that this 1985 flight by [REDACTED]  
22 I questioned you about earlier involved Richard Secord?

23 A Only because of the publicity that has come after-  
24 wards.

25 MR. CAROME: I don't think I have any further

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1 questions. Thank you very much for coming in.

2 (Whereupon, 9:50 a.m., the deposition was  
3 concluded.)  
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HS 175-71157

CIA AIR BRANCH SUBORDINATE

DEPOSITION OF [REDACTED]

Friday, June 5, 1987

U.S. House of Representatives,

Select Committee to Investigate Covert

Arms Transactions with Iran, Partially Declassified/Release: on 21 Dec 87  
 under provisions of E.O. 12958  
 by [REDACTED] National Security Council  
 K. JOHNSON

The Committee met, pursuant to call, at 2:30 p.m.,  
 in Room 2226, Rayburn House Office Building, with Patrick  
 Carome presiding.

On behalf of the House Select Committee: Patrick  
 Carome and Jack Taylor.

On behalf of the Senate Select Committee: Paul  
 Barbadoro.

Also Present: Paul Schilling, Office of Congressional  
 Affairs, Central Intelligence Agency; and R. Bradfor  
 Stiles, Central Intelligence Agency.

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 [REDACTED]  
 K. JOHNSON

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1 Whereupon,

2 [REDACTED]  
3 having been first duly sworn, was called as a witness  
4 herein, and was examined and testified as follows:

5 EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

6 BY MR. CAROME:

7 Q [REDACTED], for the record, my name is Pat  
8 Carome. I am a staff counsel with the House Select  
9 Committee to Investigate Covert Arms Transactions with  
10 Iran.

11 Also present is an investigator from our staff,  
12 Jack Taylor; and the Deputy Chief Counsel of the parallel  
13 Senate Committee, Paul Barbadoro.

14 It may be that another attorney from our staff  
15 will be coming in, I'm not sure.

16 Both the House Committee and the Senate Committee  
17 were established pursuant to resolutions, and each  
18 Committee has various enacting rules and procedural  
19 rules.

20 The CIA was provided with copies of both the  
21 resolutions and the rules and I have now given you a set  
22 of those as well just so that you will have them. This  
23 deposition is being conducted pursuant to those rules.

24 If you could begin by simply stating your name and  
25 telling us very briefly your educational background and

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3

1 the positions which you've held.

2 A Okay. My name is 

3 

11 Q And that takes you up to where?

12 A That takes me up to 1985, at which time I became  
13 staff employee of the Central Intelligence Agency.

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Q And what position did you take at that point?

A I came into the Agency as a staff officer with



Q And did you have a specific title within the



A I was initially Deputy Chief of



and then later assumed the Chief of



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- 1 Q When did you become Chief of [REDACTED]  
2 [REDACTED]  
3 A September, October '85.  
4 Q Just a month, month and a half after you became  
5 Deputy Chief?  
6 A Uh-huh.  
7 Q And what is your current position at the  
8 Agency?  
9 A I'm Deputy Chief of [REDACTED]  
10 Q And so -- that's a promotion from the position  
11 that you had in November?  
12 A Uh-huh.  
13 Q And when did that promotion occur?  
14 A November '86, I believe.  
15 Q And between September, October '85 and November  
16 '86, the position which you held was Deputy Chief of [REDACTED]  
17 [REDACTED] of [REDACTED]  
18 A And later Chief of [REDACTED]  
19 [REDACTED]  
20 Q And when did you become Chief of [REDACTED]  
21 [REDACTED] -- so there is a second promotion in there that I'm  
22 missing?  
23 A There was a [REDACTED]  
24 [REDACTED]  
25 Q And when did that [REDACTED] take place?

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- 1 A July '86.
- 2 Q All right.
- 3 The time frame that -- at least initially I'm most  
4 interested in focusing on right now is the November 1985  
5 time period.
- 6 A Okay.
- 7 Q At that time, the position which you held was  
8 Deputy Chief of [REDACTED]  
9 [REDACTED] is that right?
- 10 A Chief of [REDACTED]
- 11 Q Chief of [REDACTED] at that time.
- 12 A Uh-huh.
- 13 Q Who did you report to at that point?
- 14 A My rating official was Chief of [REDACTED]  
CHIEF (C)
- 15 Q And is that [REDACTED]?
- 16 A Yes.
- 17 Q That was his position at the time?
- 18 A Yes.
- 19 Q And how do you spell his last name?  
C
- 20 A [REDACTED]
- 21 Q And to whom did [REDACTED] report at that time?  
C
- 22 A Chief of [REDACTED]
- 23 Q And was that [REDACTED]?
- 24 A Yes.
- 25 Q And is it correct that [REDACTED] then reported

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7

1 directly to [REDACTED]?

2 A Yes.

3 Q And what was [REDACTED] position at that time?

4 A I'm not sure of the alphabet soup, but I believe  
5 it was Chief of [REDACTED]  
6 [REDACTED]

7 Q Now, at that time, am I correct that you were  
8 the person within [REDACTED] primarily responsible  
9 for dealing with the CIA's proprietary airline [REDACTED]  
10 [REDACTED]

11 A Yes, I was basically charged with the  
12 responsibility of interface and care and feeding of [REDACTED]  
13 [REDACTED] proprietaries, [REDACTED]  
14 [REDACTED]  
15 [REDACTED]  
16 [REDACTED]  
17 [REDACTED]  
18 [REDACTED]  
19 [REDACTED]  
20 [REDACTED]

21 Q If you could just explain a little bit how this  
22 interfacing and care and feeding worked between yourself  
23 [REDACTED]

24 A As the Chief of [REDACTED] making  
25 sure that the proprietary was properly [REDACTED]

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Pages 8 to 12

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[REDACTED]

Q So as a norm, if the -- if [REDACTED] were to handle a commercial flight into Iran, you would anticipate receiving a report on that activity; is that right?

A Yes.

Q And what would -- strike that.

Would the proprietary seek permission from [REDACTED] to handle such a flight?

A Yes.

Q And who would be responsible for making a decision as to whether or not such a flight could be made?

A Depends on the sensitivity of the flight. If it were determined to be a nonsensitive type thing and/or disapproval was contemplated, that could go at that time as low as Chief of [REDACTED]. If it were determined to be sensitive, then Chief of [REDACTED] had the responsibility of forwarding that to the Chief of [REDACTED]. At that time, it was [REDACTED] or [REDACTED], you've got written.

Q One or the other, but in any event, that's [REDACTED] position.

A Yes. And then he had the responsibility of seeking additional approval.

Q In any event, a decision like that would be made at a level above yours; is that correct?

A [REDACTED] did you do anything to prepare for this

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14

1 deposition before coming here today?

2 A No, with the exception of reviewing what  
3 records I had.

4 Q And could you tell me what records you have  
5 that you reviewed.

6 A The records that I had are bills that I made  
7 a memo of when we started looking into this about January  
8 or November of this year -- last year, and the memorandums  
9 that we have on file of the records of the proprietary  
10 manager.

11 Q Do you have those with you today?

12 A Yes, I do.

13 Q Could we take a quick look at them to see if  
14 there's anything there that we don't have?

15 A Sure.

16 Q Am I correct that in here are all the records  
17 that you looked at --

18 A Uh-huh.

19 Q -- before this deposition.

20 A You've got it.

21 Q [REDACTED] I take it there came a time in late  
22 November 1985 where you learned about a requirement to  
23 move something in the Middle East area; is that correct?

24 A Yes.

25 Q Could you tell me what that requirement was.

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1 A The requirement's originally stated on a Friday  
2 afternoon. If I could have my records back, I'd tell  
3 you what date.

4 Q Why don't we let [REDACTED] look at his records?  
5 Mr. BARBADORO. Sure.

6 BY MR. CAROME:

7 Q What date was it that this requirement was  
8 first learned by him?

9 A Twenty-second of November.

10 Q And what happened -- strike that.  
11 How did you first learn about this requirement?

12 A Sure. The Chief of [REDACTED] asked for a  
13 determination of commercial contractors that would be  
14 able to move an unknown quantity of material from somewhere  
15 in the Mediterranean to somewhere [REDACTED] or vice-versa.  
16 I'm not sure of the exact requirement at the time.

17 Q Who is it that is telling you that this  
18 requirement exists?

19 A Chief of [REDACTED]

20 Q And his name is?

21 A [REDACTED]

22 Q And what time of day is it on November 22 that  
23 [REDACTED] comes to you the first time with this  
24 requirement?

25 A Mid- to late afternoon.

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1 Q And is this the very first time you've heard  
2 about this matter -- is that the very first time you'd  
3 heard about this matter?

4 A Yes.

5 Q You didn't learn about it from anyone else  
6 earlier?

7 A No.

8 Q And what exactly did <sup>C</sup> [REDACTED] say, to the  
9 best that you can recall, about the nature of the  
10 material to be moved from one place to another?

11 A Bulky, heavy, long, would be most appropriate  
12 for loading on a 747 type airplane, that could be loaded  
13 from the front.

14 Q Did he tell you anything else at all that you  
15 can remember about the nature of what was to be moved?

16 A No.

17 Q He didn't tell you it was military equipment  
18 of any sort?

19 A No.

20 Q And you didn't know it was military equipment  
21 of any sort at that point?

22 A No.

23 Q At that point, did he give you dimensions of  
24 the --

25 A Not initially. The dimensions didn't come up

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1 until it became improbable that we could locate a  
2 commercial carrier and he asked if it were possible to  
3 be carried on our 707, i.e., [REDACTED] 707.

4 Q Okay. I want to go step by step here as much  
5 as possible to try to get the facts laid out chronologically  
6 as best we can.

7 This first conversation with [REDACTED] What  
8 else did he -- he also talked to you about point of  
9 origin and point of destination; is that correct?

10 A Point of origin was nonspecific. To the best  
11 of my understanding, it was from the Mediterranean to  
12 [REDACTED] destination.

13 Q Did [REDACTED] at that point tell you who told  
14 him of this requirement?

15 A No, not at that point.

16 Q Did you later learn that it was Mr. Clarridge  
17 whom he was dealing directly with?

18 A I learned that it was originating from  
19 Mr. Clarridge.

20 Q Did [REDACTED] in this first conversation with  
21 you, tell you who it was who wanted to move material from  
22 point A to point B?

23 A I was told it was the NSC.

24 Q Did he tell you who within the NSC wanted it  
25 done?

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1 A No.

2 Q Did he tell you that it had White House  
3 approval?

4 A No.

5 Q Did he say anything at all about who approved  
6 it?

7 A Not at this point.

8 Q But you have a clear recollection that in this  
9 first conversation, he said that it was the NSC that  
10 wanted this done; is that right?

11 A Yes.

12 Q Was there any discussion of how many pieces  
13 were to be moved?

14 A Not at this point, no.

15 Q You had no idea at that point how many pieces?

16 A No.

17 Q You said that it was mentioned that a 747  
18 was preferred. Did you understand in this first  
19 conversation that a 747 would be sufficient to move  
20 everything that needed to be moved?

21 A Yes, sir. C

22 Q Was it [REDACTED] who suggested a 747?

23 A Don't know.

24 Q And can you be any more precise with the  
25 time of day that this conversation, this first conversation

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1 with <sup>C</sup> [REDACTED] took place?

2 A Not at this point. Late afternoon, bracketed  
3 somewhere between 3:00 o'clock and 5:00 o'clock.

4 Q And was anyone else present during that  
5 conversation?

6 A Not to my knowledge. <sup>C</sup>

7 Q Now there -- [REDACTED] at that time, had a  
8 deputy chief; is that correct?

9 A Yes.

10 Q And his name was <sup>DEPUTY CHIEF (D.C.)</sup> [REDACTED] is that right?

11 A Uh-huh.

12 Q And do you have a firm recollection of  
13 <sup>DC</sup> [REDACTED] not being present during that first conversation?

14 A No, I don't.

15 Q He may have been?

16 A May have been.

17 Q Is there anyone else who might have been  
18 present during that conversation?

19 A No.

20 Q How did that first conversation last, as best  
21 you can recall?

22 A Probably about 10 minutes.

23 Q And where did it take place?

24 A Within [REDACTED] Headquarters.

25 Q And that's at Langley; is that right?

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1 A Yes.

2 Q And is <sup>C</sup> [REDACTED] office in close proximity  
3 to your own or was it at that time?

4 A It sure was.

5 Q Did it take place -- did this conversation  
6 take place in either yours or his office?

7 A It is all one big room.

8 Q Okay. And it took place in that one big room.

9 A Yes. He has a corner of that room, somewhat  
10 subdivided, but I don't know whether it was at my desk  
11 or his desk.

12 Q What happened after that first conversation;  
13 what was the next thing that happened on this front?

14 A We -- we, to the best of my knowledge, I thought  
15 about it for a while; I attempted to contact a couple of  
16 [REDACTED] commercial concerns.

17 Q Who did you contact?

18 A I said "attempted to contact." I didn't get  
19 ahold of anybody.

20 Q Who were you trying to contact?

21 A I don't think that is germane to this discussion.

22 MR. SCHILLING. Could we go off the record for  
23 a second.

24 (Discussion off the record.)

25

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1 MR. CAROME. Back on the record.

2 BY MR. CAROME.

3 Q What types of organizations was it that you  
4 were trying to contact at this point?

5 A Contractors that we'd dealt with previously.

6 Q And are these proprietaries?

7 A No.

8 Q These were nonproprietary air carriers; is that  
9 right?

10 A Yes.

11 Q And did you make telephone calls to either one  
12 of these two --

13 A I made a telephone call to one of them and found  
14 that [REDACTED]

15 [REDACTED] was not present and did not go any  
16 further and being that the second one we were not as close  
17 to and had not used as much, I didn't feel comfortable  
18 giving them that requirement, being that it was somewhere  
19 to somewhere to haul something.

20 Q So for this second contractor, you thought about  
21 possibly using them, but decided not to even make a first  
22 call to them. Is that right?

23 A Sure.

24 Q And were both of these two contractors being  
25 contacted because you thought that they might have 747

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22

1 aircraft?

2 A Access to them or could broker 747s.

3 Q There's one aspect of the initial conversation  
4 with [REDACTED] that I wanted to -- want to go back to  
5 and cover.

6 Did, in that first conversation [REDACTED]  
7 tell you anything about timing? Was it presented to you  
8 as an urgent requirement?

9 A It was implied that we need to do it immediately.

10 Q After you have contacted or attempted to contact  
11 this one contractor, what did you do now?

12 A Reported to [REDACTED] that I didn't think that  
13 we could do this. We did not have the resources to do  
14 this.

15 Q And did -- had you at that time considered the  
16 possibility of [REDACTED] as a carrier that could be used  
17 for this operation?

18 A Personally, no.

19 Q You had felt, after you had considered these  
20 two contractors, that you had exhausted your resources,  
21 and it looked like there was nothing that [REDACTED] could  
22 do to help out?

23 A That's right.

24 Q At about what time of day was it that you  
25 communicated that to [REDACTED] as best you can recall?

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23

1           A     To put it in a perspective of the time frames  
2 I gave you before, it would be an hour or so after I was  
3 initially contacted, so that would put it around 4:00  
4 o'clock in the afternoon.

5           C     Q     What happened after you communicated that to  
6  Did he then do something?

7           A     I believe he went -- either called on the  
8 secure phone or went upstairs to talk to whoever he was  
9 in contact with.

10          Q     At this point, do you know who it is that he's  
11 dealing with?

12          A     No, I don't.

13          Q     You haven't seen him talking to Mr. Clarridge,  
14 for example, at this point; is that right?

15          A     No.

16          C     Q     What was it that  did during this  
17 hour period when you were attempting to see if you could  
18 locate a contractor? Do you know?

19          A     No, I don't.

20          Q     You two were in the same room; is that right?

21          A     He's back in his corner again.

22          Q     But you don't know what he was doing?

23          A     No, I don't. I can't track him and try to do  
24 something else at the same time.

25          C     Q     When  went upstairs to talk to someone,

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24

1       what happened next?

2               A     He came back and suggested that we try to see  
3       if this would fit on our proprietary 707, asking for  
4       dimensions. He made a secure call, to the best of my  
5       recollection and obtained the dimensions after about  
6       15 or 20 minutes.

7               Q     Who did you understand he made a secure call  
8       to?

9               A     I don't know.

10              Q     But you do recall that it was on a secure  
11       line?

12              A     Yes.

13              Q     And he must, therefore, have been calling  
14       someone outside of the Agency; is that right?

15              A     Wrong.

16              Q     He could have been calling someone inside  
17       the Agency?

18              A     Definitely.

19              Q     Do you recall whether you thought at the time  
20       he was calling someone inside the Agency or outside the  
21       Agency?

22              A     I don't have any way of knowing.

23              Q     Did he ever tell you who it was he called?

24              A     No.

25              Q     At this point, has <sup>C</sup> [REDACTED] told you anything

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25

1 more about the nature of the cargo that is in question?

2 A When he came back, 15 to 20 minutes later, he  
3 had the dimensions and weight of the articles.

4 Q And what were the dimensions and weight that  
5 he gave you, to the best of your recollection?

6 A I don't have an -- I don't have the exact  
7 dimensions. It was, to the best of my recollection -- they  
8 were about 3,000 pounds in weight, 16 foot long by about  
9 4 foot square.

10 Q I have a document here that I'm going to show  
11 you at a later point in the deposition that talks about  
12 what seems to be -- I can't tell if it is 80 or 100  
13 pieces, 3,300-plus odd pounds, each measuring 18 feet long  
14 by 2-1/2 feet wide by 3-1/2 feet tall.

15 Does that seem like it could have been the  
16 correct dimensions that you were given?

17 A Pretty well conforms to my memory recollection  
18 that I just gave you.

19 Q What else did [REDACTED] <sup>C</sup> tell you at this point  
20 about the nature of the cargo?

21 A I believe that he told me there were something  
22 like 50 or 60 of these pieces.

23 Q Do you have a firm recollection of that  
24 number?

25 A No, I don't.

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26

1 Q So it could have been 80; it could have been  
2 100 for all you know or --

3 A To the best of my recollection, it was given  
4 50 to 60.

5 Q All right. And this is <sup>C</sup> [REDACTED] who's telling  
6 you these numbers; is that right? /

7 A That's right.

8 Q Is anyone else present during this conversation?

9 A I don't know.

10 Q Is it possible that <sup>DC</sup> [REDACTED] was there?

11 A It's possible, sure.

12 Q But you don't have a recollection of him being  
13 there?

14 A No.

15 Q Did you ask <sup>C</sup> [REDACTED] "What are these  
16 pieces"?

17 A Nope.

18 Q Were you curious?

19 A Nope.

20 Q Did you think that it was pertinent to the  
21 requirement to know this? Am I correct that it is your  
22 position that that's pretty much the most you ever  
23 learned about the nature of these pieces?

24 A Yes, to this date.

25 Q To this date, you've never gotten any other

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27

1 information beyond weight and dimensions; is that what  
2 you're saying?

3 A Not what I consider any more reliable than The  
4 Washington Post.

5 Q We may come back to what other things you've  
6 heard about these things, but I'm going to try to keep  
7 going with the story.

8 A Sure.

9 Q Let me ask you this: Are there other air  
10 requirements that you have handled during your time at  
11 [REDACTED] where you had no idea what the cargo was?

12 A I'm sure there are.

13 Q Can you give me a for instance?

14 A There is a considerable amount of cargo hauled  
15 that you don't know the exact nomenclature or what  
16 it is.

17 Q Here it is not just a question of nomenclature.  
18 What you're saying is that you don't have any idea what  
19 this material is, other than its weight, dimensions and  
20 volume. Is that a unique situation in your experience?

21 A No.

22 Q You can think of other cases where that's the  
23 most you've known about the cargo?

24 A They brought to the airplane; it is a certain  
25 dimension, weighs a certain weight and there's no need to

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28

1 know what's inside the box.

2 Q What about in a situation where it's a major  
3 shipment, which, obviously, this was. I mean, this was  
4 a large shipment by your standards, wasn't it?

5 A Yes.



12 Q And again, you don't think it was important  
13 for you to know the nature of the requirement to handle  
14 what you were being asked to do here?

15 A No.

16 Q After [REDACTED] -- strike that.

17 Just so that we can keep the time table flowing,  
18 can you estimate roughly when it is you recall this  
19 conversation taking place where [REDACTED] is providing  
20 you, answering your question about the dimensions and  
21 weight?

22 A 4:00, 4:30.

23 Q What took place next?

24 A We passed said dimensions to [REDACTED]

25 Q Is this your first contact with [REDACTED] on this

PROJECT OFFICER (PO)

PO

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29

1 subject?

2 A Yes.

3 Q You hadn't talked to him at all earlier in the  
4 day, as far as you can recall?

5 A I probably talked to him earlier in the day,  
6 but not on this subject.

7 Q You have day-to-day contact with <sup>PO</sup> [REDACTED]  
8 is that right?

9 A Yes.

10 Q But this was the very first time you were  
11 talking to him about this material that we've been  
12 talking about; is that right?

13 A Yes.

14 Q And what did you say to <sup>PO</sup> [REDACTED]

15 A I gave him the dimensions, asking if we could  
16 get that in the side door of the airplane, how many could  
17 go on the airplane and were the 707s available.

18 Q Just to fill in a few of the details, at this  
19 point, <sup>PO</sup> [REDACTED] is [REDACTED] is that correct, at [REDACTED]

20 [REDACTED]

21 A Yes.

22 Q Is that where you called him?

23 A Yes.

24 Q [REDACTED]

25 [REDACTED]

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**SECRET**

30

A

Q

A

Q

So at the time, you had to be cautious about what you were saying over the phone; is that right?

A Sure.

Q

And what did you tell [REDACTED] about what it is

**UNCLASSIFIED**  
**SECRET**

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31

1 that needed to be done in this first phone call with him?

2 A As I have stated previously, will it fit on the  
3 airplane, this article dimension, how many will fit on the  
4 airplane if the answer to the first is positive, and are  
5 the aircraft available? Are they in flyable maintenance  
6 condition and not employed thus far?

7 Q Did the question of where the point of origin  
8 was and where the point of destination was for this  
9 requirement discussed in this first phone call?

10

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32

1 A I don't recall; it may have been passed  
2 somewhere [REDACTED] to somewhere in the Mediterranean or  
3 vice-versa.

4 Q But at this point, you haven't learned anything  
5 more about point of origin or point of destination than  
6 what you heard from [REDACTED]<sup>C</sup> in the first call; is that  
7 right.

8 A That's right.

9 Q At this point in time, around the time when  
10 you're making the first contact with [REDACTED]<sup>PO</sup> are you  
11 now witting of the fact that [REDACTED]<sup>C</sup> contact, the  
12 person he's dealing with on this, other than you, is  
13 Mr. Clarridge?

14 A That's what I understood from [REDACTED]<sup>C</sup> yes.

15 Q Did he tell you that?

16 A I believe so.

17 Q Do you know if [REDACTED]<sup>C</sup> ever dealt with anyone  
18 else on this matter over that whole weekend?

19 A I don't.

20 Q You don't know of anyone other than Mr. Clarridge;  
21 is that right?

22 A That's right.

23 Q Did [REDACTED]<sup>DC</sup> get involved at all, either this time  
24 or at any point over the weekend that you can recall?

25 A Not to my recollection.

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33

ng 2

1 Q You don't recall him playing any role at all over  
2 the entire weekend on this activity?

3 A No.

4 Q What did <sup>P.O</sup> [REDACTED] tell you after you described to  
5 him what it was that needed to be moved?

6 A He evidently checked with [REDACTED] proprietary manager  
7 and reported back 15 to 20 minutes later, so it was circa  
8 5 o'clock. He guessed the articles would fit through the  
9 door, and I believe he came back with 16 of the articles  
10 could be loaded on the airplane, which I guesstimated at the  
11 15 so I accepted face value.

12 Q Do you at this point understand how these articles  
13 are to be packed?

14 A No.

15 Q You don't know whether they are in crates or  
16 whether they've got sharp edges, or --

17 A I assumed they were in crates.

18 Q You assumed they were in crates.

19 Had you been told they were in crates?

20 A I don't believe so.

21 Q Is it the norm for items of that size to be in  
22 crates when they are moved on planes?

23 A Yes.

24 Q Who was it that you understood <sup>P.O</sup> [REDACTED] to be  
25 getting in touch with that day?

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**SECRET**

34

3

1

A The manager of [REDACTED] proprietary.

2

Q And his name is what?

3

4

Q Well, that is a pertinent name and we do need that.

5

I will restate the question.

6

A Sure.

7

PO

Q After your first conversation on this subject with

PO

8

[REDACTED] who did you understand that [REDACTED] then went and  
called?

10

A

**PROPRIETARY MANAGER (M)**

11

Q And who is he?

12

A He is the manager -- operating manager -- [REDACTED]

13

14

Q And where does he reside?

15

A His home is [REDACTED]

16

Q Where is the main office [REDACTED]

17

A The main office [REDACTED] is in [REDACTED]

18

19

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Q And where were the 707 aircraft usually kept when they were not being used?

A [REDACTED]

Q That's [REDACTED]

A Yes.

Q Is that [REDACTED]

A I believe so.

Q <sup>m</sup> [REDACTED] understood that [REDACTED] was a CIA proprietary; is that right?

A Yes.

Q Were there others [REDACTED] who were also witting of that CIA connection?

A No.

Q He was the only one?

A That's right.

Q None of the pilots knew, as far as you know?

A As far as I know. They may have thought it was, but no one had been briefed that it was CIA-owned.

Q Do you understand that when <sup>P.O.</sup> [REDACTED] made that first call to <sup>m</sup> [REDACTED] on the subject of this flight requirement that he was [REDACTED]

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36

5

1

A

2

3

4

5

Q And you understand that they were communicating by

6

phone, or were they communicating in person at that time?

7

A By phone.

8

9

10

11

12

13

Q What happened after this first phone call you had

14

with <sup>PO</sup> [REDACTED] what was the next thing that happened on this matter?

15

16

A There was a response back from <sup>PO</sup> [REDACTED] that

17

it would fit and the aircraft were available.

18

Q And what did you do next?

19

A I passed that to the Chief of <sup>C</sup> [REDACTED]

20

21

Q About what time of day? This is still on Friday;

22

is that right? Friday the 22nd?

23

A Yes.

24

Q And about what time of day is it that you get the

25

word back from <sup>PO</sup> [REDACTED] that the --

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37

6

1 A 5:15 or 5:30, somewhere in that area.

2 Q And the word comes back that [REDACTED] 707's are  
3 available; is that correct?

4 A One 707 is immediately available, [REDACTED]  
5 [REDACTED]  
6 [REDACTED]  
7 [REDACTED]

8 Q Do you understand where it was that the plane was  
9 going to be at that time?

10 A I don't believe so.

11 Q Which plane was it that was immediately available?  
12 The foreign registered plane or the U.S. registered plane?

13 A U.S. registered.

14 Q And where did you understand that plane to be  
15 located at that time?

16 A [REDACTED]

17 Q You then informed [REDACTED] C [REDACTED] plane was  
18 immediately available; is that right?

19 A Yes.

20 Q And you told him that [REDACTED] plane might be  
21 available but it wasn't clear of that yet?

22 A That's right.

23 Q And what happened at that point?

24 A He disappeared.

25 Q Did he go home for the day?

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38

7

1

A No.

2

Q What do you understand he did?

3

A Went upstairs. Everything's upstairs in relation  
to [REDACTED]

5

6

7

8

9

Q Did you understand that [REDACTED] was going to talk  
to Mr. Clarridge at that point?

10

11

A I don't know. I don't know who he talked to.

12

13

Q Was it your understanding that it was probably Mr.  
Clarridge whom he was going to see?

14

A Again I don't know.

15

16

Q But at this point you know that he's been dealing  
with Mr. Clarridge and you don't know anyone else he's  
dealing with; is that right?

17

18

A That's right.

19

Q And how long was [REDACTED] gone, as best you can  
recall?

20

21

A Fifteen, 20 minutes.

22

23

Q Do you at this point ask [REDACTED] if he knows  
anything more about the cargo?

24

25

A Somewhere in this time the 50 to 60 came up, and  
also the destination of the aircraft, or the unload of the

**UNCLASSIFIED**

**TOP SECRET**

39

1 aircraft would proceed to unload the articles came to be  
2 initially Tel Aviv -- well, Tel Aviv, yeah.

3 Q I just want to get this straight. [REDACTED] <sup>C</sup> at  
4 some point in this time frame, told you that it's 50 or 60  
5 pieces; is that right?

6 A To the best of my recollection.

7 Q Did you know that before you called [REDACTED] <sup>PO</sup>

8 A No.

9 Q But you still thought that you might need two  
10 planes, so you talked to him about two planes; is that right?

11 A If we're talking about a 747 requirement and then  
12 we break that down into 707's, it's fairly obvious that we're  
13 going to need more than one plane.

14 Q I thought the reason that you needed the 747 was  
15 the size of each individual piece.

16 A Ergo, also the ability to get those pieces on the  
17 707.

18 Q But what made you know in that first phone call  
19 that you needed more than one 707?

20 A I'm not sure I knew I needed more than one 707.

21 Q But you asked specifically about the availability of  
22 two planes?

23 A If you're going to make a phone call, you might as  
24 well get all your answers done in one phone call.

25 Q And what did [REDACTED] <sup>C</sup> tell you about the pickup

**TOP SECRET**

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40

9

1 point?

2 A It was to be Tehran -- or, not Tehran, Tel Aviv.

3 Q He told you that? All the material was to be picked  
4 up in Tel Aviv?

5 A Uh-huh.

6 Q And he told you that you think after your first call  
7 to [REDACTED] PO

8 A Yes.

9 Q Did he tell you that after he came down from going  
10 upstairs with the news that [REDACTED] planes would be  
11 available?

12 A I don't recall when he specifically came in.

13 Q Did you know at this point how many planeloads 50 or  
14 60 items of this sort we're talking about would be required?15 A If we talked with the 50 or 60 items and you take  
16 either [REDACTED] PO or my estimate of 15 to 16 per plane comes  
17 up to three planes.

18 Q Or perhaps four planes; is that right?

19 A Yes; but definitely three airplanes.

20 Q And had you made that calculation at the time when  
21 you were aware that perhaps there would be a need for three  
22 flights?

23 A In this time frame, yes.

24 Q And we're still talking about the late Friday time  
25 frame; is that correct?

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~~TOP SECRET~~

41

10

1 A Uh-huh.

2 Q After <sup>PO</sup> [REDACTED] -- I'm sorry -- strike that.

3 After <sup>C</sup> [REDACTED] comes back downstairs, after

4 providing the news about the availability of [REDACTED]

5 planes, what happened next? Did he speak to you again?

6 A Armed with the availability of the aircraft

7 and the fact that the cargo would fit on the aircraft, then

8 he spoke to me that we would make the aircraft available as

9 a strict commercial charter to a Mr. Richard Copp, and that

10 Mr. Copp would be in contact with our proprietary manager.

11 Q What did <sup>C</sup> [REDACTED] mean, or what did you understand

12 he meant when he said that the aircraft would be made avail-

13 able as a strictly commercial matter?

14 A That they would not be CIA-sponsored.

15 Q What does that mean? Obviously, you've been in

16 touch with [REDACTED] -- you've identified them as the

17 carrier. What do you mean it's not going to be CIA-

18 sponsored?

19 A We identified them as a capable carrier and we

20 passed that to whoever <sup>C</sup> [REDACTED] was talking to, and they

21 would contract with [REDACTED] as a commercial carrier in the

22 same way as they would contract with Pan Am, Trans World, or

23 whoever, along its commercial charter business that we

24 discussed previously.

25 Q How is that normal from the way a -- strike that.

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42

1                   How is that different from the normal way in which  
2 the CIA task[REDACTED] to handle an air requirement?

3           A     If it were a strict CIA requirement, we would give  
4 them the requirement, the points of contact, and assist them  
5 with the transit of said aircraft into that country, and out  
6 of the country, and across other countries.

7           Q     How is that different from what took place here, as  
8 you understand it?

9           A     In this case, it was strictly treated as a  
10 commercial contact between [REDACTED] and Richard Copp  
11 as the charter<sup>er</sup> of that aircraft.

12          Q     Is in your mind one of the key differences the fact  
13 that there wouldn't be assistance in obtaining flight  
14 clearances and things like that?

15          A     That there would not be a CIA normal command and  
16 control of that airplane. The command and control then  
17 relegates from the charter to the [REDACTED]<sup>m</sup> as the  
18 proprietary manager.

19          Q     I may explore this later.

20                Let me ask you this: Is this situation unique?  
21 Has it ever occurred any other time where your office is  
22 contacted to get involved in getting [REDACTED] connected  
23 with someone with an air requirement, but then it is handled  
24 on what you call a commercial basis?

25          A     This is the first time I know of.

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TOP SECRET

43

1 Q Is it the only time you know of?

2 A Yes.

3 Q What happens next? I guess we've gotten to the  
4 point where [REDACTED] has come back downstairs and has told  
5 you that a decision has been made from above to go ahead and  
6 use [REDACTED], is that right?

7 A To tell the proprietary manager that a Mr. Copp  
8 would be contacting him and to provide whatever assistance  
9 he could to Mr. Copp.

10 Q And did you understand who Mr. Copp was at that  
11 point?

12 A No.

13 Q Had you ever heard the name before?

14 A No.

15 Q No.

16 Q Did you know who General Secord was at the time?

17 A I am aware of who General Secord was.

18 Q You were aware of that name?

19 A Yes.

20 Q But you finally recalled that the name did not  
21 come up at this time?

22 A Secord?

23 Q That's right, Secord.

24 A No.

25 Q Did [REDACTED] come up?

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**TOP SECRET**

44

1 A No.

2 Q What did you do after <sup>C</sup> [REDACTED] gave you the

3 message about Mr. Copp?

4 A I passed that to <sup>PO</sup> [REDACTED]

5 Q Did you call him on the telephone to do that?

6 A Yes.

7 Q And what else did you tell <sup>PO</sup> [REDACTED] in that phone

8 call?

9 A I told <sup>PO</sup> [REDACTED] that Mr. Copp asked him to pass to

10 <sup>m</sup> [REDACTED] that Mr. Copp would be calling and [REDACTED]

11 <sup>m</sup> [REDACTED] was to provide whatever assistance he could for

12 Mr. Copp in a strict commercial entity, and that this would be

13 -- price and so forth would be negotiated with Mr. Copp.

14 Q Did you, by the time of this phone call to <sup>PO</sup> [REDACTED]

15 <sup>PO</sup> [REDACTED] know what the destination of the cargo was?

16 A No.

17 Q You just knew that it had to be picked up in Tel

18 Aviv; is that right?

19 A Yes.

20 Q Did you understand where in Tel Aviv it was to be

21 picked up?

22 A No.

23 Q You didn't know that it was going to be picked up

24 at a military air site?

25 A No.

**UNCLASSIFIED**



UNCLASSIFIED

45

1 Q What happened after you made that phone call to [REDACTED]

2 [REDACTED]

3 A Since our basic responsibilities were done, I packed  
4 up and went home. This would make it about 6:00, 6:15, maybe  
5 as late as 7 o'clock.

6 Q Could you mark this as an exhibit?

7 (Exhibit No. [REDACTED] 1 was marked  
8 for identification.)

9 BY MR. CAROME:

10 Q [REDACTED] I show you what has been marked as Exhibit  
11 1 and I ask if you recognize what that is?

12 Just for the record, it is a handwritten document  
13 dated November 22nd, 1985. It has a number of redactions on  
14 it.

15 A No, I haven't seen it.

16 Q You have not seen that document before?

17 A No.

18 Q Do you recognize that handwriting?

19 A It could be [REDACTED]

20 Q It could be [REDACTED] handwriting?

21 A Uh-huh.

22 Q The first line reads, blank, and a substituted [REDACTED]

23 [REDACTED] called requesting availability of [REDACTED] 707's to move  
24 sensitive high priority cargo, and then weight and dimensions  
25 are given.

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1 A Uh-huh.

2 Q Intended pickup and destination was Tel Aviv [REDACTED]  
3 [REDACTED] and the time of that entry is 1600 hours, 22 November  
4 1985.

5 PO Is it possible that this is handwritten notes by [REDACTED]  
6 [REDACTED] referring to the phone call that he received from you?

7 A Sure.

8 Q Do you believe now that that's what this is?

9 A I have no idea.

10 Q Just for the record, and this is directed to Mr.  
11 Schilling, I think we are going to need to get an unredacted  
12 version of this document. It's CIIN2537.

13 This document, [REDACTED] seems to suggest that at  
14 4 p.m. on that Friday afternoon, [REDACTED] PO was called  
15 requesting the availability of the 707's.

16 Does that time frame -- is that at least consistent  
17 with your memory, or does that seem incorrect?

18 A I think the record will show that I said about  
19 6, or 1615, 4:15, 4:30 I contacted [REDACTED] PO with the initial  
20 request.

21 Q But here it's -- there's a reference to a number of  
22 pieces and both a pickup and a destination point.

23 A Uh-huh.

24 Q Do you recall that you gave that information to [REDACTED]  
25 PO [REDACTED] in the first phone call?

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1 A Not to my recollection.

2 Q Is it possible that you might have?

3 A Sure.

4 Q The language "sensitive high priority cargo," did  
5 you use words such as that in your first conversation with  
6 

7 A Not to my recollection.

8 Q Would it be --

9 A Priority was probably sensitive -- I don't know.

10 Q You don't think you used the word "sensitive," is  
11 that you're saying?

12 A I don't know.

13 Q You don't know whether or not you used the word  
14 "sensitive"?

15 A This is a record of what he wrote down, well, then,  
16 maybe I did. But I don't recall using the word "sensitive".

17 Q Do you recall in that first conversation giving him  
18 a number of pieces?

19 A No.

20 Q And, again, you're not sure that you recognize  
21 whose handwriting this is; is that right?

22 A No, I'm not.

23 Q And to the best of your knowledge, you've never  
24 seen this document before; is that right?

25 A No, I haven't.

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1                   You're sure it's dated 22 November '85 up here?

2           Q     Yes.

3           A     Okay.

4           Q     Yes.

5                   Let me read to you a little bit more from this  
6 document. It says, "I contacted [REDACTED]" -- well, I'm not  
7 sure that it says "I" so I strike that.

8           A     It says [REDACTED] contacted [REDACTED]

9           Q     Is that what it says?

10          A     I believe so.

11          Q     And that would seem to apply to [REDACTED]<sup>m</sup> is  
12 that right?

13          A     Uh-huh.

14          Q     So it makes sense, if this is someone reporting that  
15 [REDACTED] contacted [REDACTED] that this is in all likelihood [REDACTED]<sup>PO</sup>  
16 [REDACTED] handwriting; is that right?

17          A     Again, I don't know whose handwriting it is. It  
18 could be [REDACTED]<sup>PO</sup> it could be [REDACTED]<sup>C</sup> The reading  
19 of the document appears that it is [REDACTED]<sup>PO</sup>

20          Q     At any point on that Friday, do you know whether or  
21 not [REDACTED]<sup>C</sup> ever made any contact with [REDACTED]<sup>PO</sup>

22          A     I would imagine he did.

23          Q     You believe that [REDACTED]<sup>C</sup> may have also been in  
24 contact with [REDACTED]<sup>PO</sup> on that day?

25          A     Yes.

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1 Q When did that happen?

2 A I don't know.

3 Q What makes you think [redacted] did contact [redacted]  
4 that day?

5 A It would be in consonance in the technicality [redacted]  
6 [redacted] is [redacted] -- or [redacted] is [redacted] reporting  
7 official. He works for [redacted]

8 Q When you made your first phone call to [redacted]  
9 did that, as far as you know, was that the first time that [redacted]  
10 [redacted] was contacted on the subject of this flight?

11 A Correct.

12 Q So as far as you know, [redacted] had not called them  
13 before then; is that right?

14 A That's right.

15 Q And do you know of any particular instances on that  
16 Friday, November 22nd, 1985, when [redacted] contacted [redacted]

17 [redacted]  
18 A No.

19 Q What happened after you communicated -- strike that.

20 Does this document, Exhibit 1, refresh your  
21 recollection that in fact it was about 4 p.m. on November 22nd  
22 when the first call to [redacted] was made?

23 A I think that reaffirms that it could be about 4 p.m.

24 Q Okay.

25 And when you made the phone call to -- after you made

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1 the phone call to <sup>PO</sup> [REDACTED] telling him that a Mr. Copp would  
2 be getting in touch, what took place next? I believe you said  
3 that ended the activity for the day and you went home?

4 A Uh-huh.

5 Q And about what time was it that you went home?

6 A 6:00, 5:30, 7:00.

7 Q Okay.

8 Was that the last you heard about this flight  
9 activity?

10 A No, I think it went through the night.

11 Q What was the first -- strike that.

12 Do you also understand that <sup>C</sup> [REDACTED] went home at  
13 around the same time that you did?

14 A Yes.

15 Q And when you went home, did you think that that was  
16 going to be the last you'd hear about this flight activity, or  
17 did you expect to be monitoring it through the weekend?

18 A I kind of thought it would be the last I'd hear of it  
19 being as a strict commercial charter.

20 Q But in fact it wasn't the last you heard of it?

21 A No.

22 Q And what was the next event that occurred with  
23 respect to this flight --

24 <sup>PO</sup> A I think it was a basic status report that -- from  
25 [REDACTED] <sup>C</sup> [REDACTED] that Copp had contacted

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1 <sup>M</sup> [REDACTED] and they had consummated their charter and  
2 that early next morning, [REDACTED]  
3 [REDACTED] -- would depart for Tel Aviv. Sometime later  
4 in the night a determination was made that a second airplane  
5 would also be pulled off [REDACTED] and moved to Tel  
6 Aviv.

7 Q Why was it that you were getting these phone calls  
8 if the CIA was to be dropping out of the picture?

9 A Since we had initiated, I think <sup>PO</sup> [REDACTED] felt that  
10 he had to keep his headquarters informed.

11 Q So in fact he really wasn't handling it as a  
12 strictly commercial matter; is that right?

13 A I think he was giving us a status report.

14 Q And when you got the first phone call that evening --

15 A Uh-huh.

16 Q -- saying that contact had been made with Mr. Copp,  
17 did you call <sup>C</sup> [REDACTED] to let him know that that had  
18 happened?

19 A I believe so.

20 Q And why was that if this was just a commercial  
21 matter, why did you feel a need to keep <sup>C</sup> [REDACTED] informed  
22 about what was going on?

23 A With the allegations that the NSC had asked for  
24 this, we could anticipate questions.

25 Q Did you have the impression that this was a very

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1 sensitive and important that the NSC was trying to carry out?

2 A It had a high degree of priority.

3 Q So it really wasn't being handled as a strictly  
4 commercial matter. There was continuing involvement by [REDACTED]  
5 [REDACTED] in monitoring what was happening; isn't that right?

6 A Only in an information gathering mode.

7 Q At this point, this is Friday evening, and you're  
8 home and you've gotten a phone call. Do you have any  
9 knowledge that this movement of material from Tel Aviv [REDACTED]  
10 [REDACTED] has anything to do with a hostage release objective?

11 A No.

12 Q At any point that weekend or around that same time  
13 -- even say through the end of November, did you ever learn  
14 that there was a hostage release objective involved in what it  
15 was you were doing?

16 A No.

17 Q I'm sorry if I'm repeating myself --

18 A Sure.

19 Q -- but could you tell me what it is that [REDACTED] <sup>PO</sup>  
20 told you in the first phone call after you were at home?

21 A I believe he stated that the first aircraft, the  
22 [REDACTED] registered airplane, or U.S. registered airplane, would <sup>y</sup>move  
23 the following morning, [REDACTED] to the onload point.  
24 And that the arrangements had been made for proper payment,  
25 and that the -- Copp had asked [REDACTED] <sup>m</sup> for the use of the

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1 second airplane.

2 Q What was said about the payment arrangement?

3 A That it would be billed at the basic rate of 5,000  
4 bucks an hour -- offset for whatever fuel was provided by the  
5 customer.

6 Q Was there a total figure that was anticipated and  
7 negotiated?

8 A I don't believe so.

9 Q Referring to the first page of what's been marked as  
10 Exhibit 1, I'll read a piece of the document. It looks like  
11 1730 to 1800 hours final approval was given, and I was  
12 advised that Richard Copp would be contacting [REDACTED]  
13 [REDACTED] about 2000 hours. This did happen and by then [REDACTED]  
14 knew the second aircraft was not available. Customer agreed  
15 to 60K plus expenses and was to arrange -- it looks like fuel  
16 and clearances at both ends.

17 Does the 60K appear to refer to a \$60,000 price  
18 figure? Does that refresh your recollection as to what [REDACTED]  
19 <sup>PO</sup> [REDACTED] told you in the first conversation you had after you  
20 arrived at home?

21 A No.

22 Q Do you recall a \$5,000 hourly rate was to be paid?

23 A Uh-huh.

24 Q And what were the other terms, do you recall?

25 A Offset by whatever landing fees, fuel, and so forth

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1 were provided by the customer.

2 Q Those would be additional costs to be picked up by  
3 the customer?

4 A Yes, or offset if the customer provides the fuel,  
5 then the 5,000 bucks an hour is offset for the fuel costs.

6 Q I see.

7 Do you have a firm recollection of those being the  
8 terms discussed in that phone call?

9 A Somewhere in this time frame of this recollection.  
10 I don't have --

11 Q Are there other documents that you are aware of that  
12 suggest that -- that are helping you with that recollection?

13 A There's a -- somewhere in those records some sort of  
14 a billing document that indicates -- you get for this flight  
15 or a future flight of this type what was the billing.

16 MR. SCHILLING: Can we go off the record for a  
17 second?

18 MR. CAROME: Sure.

19 (Discussion off the record.)

20 MR. CAROME: Back on the record.

21 THE WITNESS: No, this isn't pertaining to that  
22 flight.

23 BY MR. CAROME:

24 Q [REDACTED] is there a document in the package of  
25 documents that you've brought with you that will help or that

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1 relates to the pricing conversation that we were just talking  
2 about?

3 A No.

4 Q You don't have such a document?

5 A No, not for <sup>that</sup> flight.

6 Q Was it a later flight that you had in mind where  
7 there was a \$5,000 per hour price negotiated?

8 A The document in there indicates twelve fifty per  
9 hour plus fuel charges and landing charges, which is another  
10 way of billing.

11 Q But that was not for the November flight; is that  
12 right?

13 A No.

14 Q So you are not aware of any documents which refer to  
15 the payment scheme for the November flight; is that correct?

16 A Not in my records.

17 Q Did <sup>PO</sup> [REDACTED] in this first telephone call to you  
18 at home say anything to you other than on the subject of  
19 pricing and the fact that a deal had been negotiated with  
20 Copp?

21 A I don't believe so.

22 Q By this time, of course, he knows that the -- let  
23 me strike that.

24 By this point in time, how many flights are  
25 contemplated?

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1           A     If the full load is going to be moved, we are up to  
2 three flights.

3           Q     And is it your understanding that the plan was to  
4 move the full load?

5           A     Yes. Look back at this \$60,000. This may be a note  
6 of [REDACTED] if that's who wrote this, to himself, not  
7 necessarily what was passed in the reverse order up the chain.  
8 This could be a note between him and [REDACTED] or a note that  
9 he wanted to make.

10          Q     I understand. The mere fact that he's written it  
11 down doesn't mean that he told that to you on the telephone;  
12 is that right?

13          A     That's right.

14          Q     Do you understand that in this telephone call with  
15 [REDACTED] that he's now at home?

16          A     Yes.

17          Q     And, again, these are telephone -- both ends of that  
18 phone call are unsecured phones; is that right?

19          A     Definitely.

20          Q     It occurs to me, [REDACTED] that there's something  
21 that happened before you left that I think you told me about  
22 in the interview that it might be convenient to raise now.  
23 I'm sorry I didn't think to try to re-elicite it before.

24                     Did the subject of whether or not there was a  
25 directorate of operations approval come up at any time during

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end 1 the afternoon of November 22nd?

2 A Sometime before we passed the approval back to [REDACTED]

lt fls 3 [REDACTED] for the contact of Mr. Copp to [REDACTED] I

4 queried [REDACTED] do we have DDO approval for this  
5 flight.

6 Q And what did [REDACTED] say?

7 A He indicated that, yes, we did. It was ADDO  
8 approval.

9 Q What does that mean, ADDO approval.

10 A Assistant DDO or Associate DDO. I don't know how  
11 it's -- the number two guy.

12 Q And that's a person?

13 A Yes.

14 Q Who is that?

15 A Mr. Juchiewicz, Ed Juchniewicz.

16 Q How do you spell his last name just because it's a  
17 hard one?

18 A I don't know.

19 Q Okay.

20 So [REDACTED] communicated to you that he had  
21 spoken to Mr. Juchniewicz to get this approval?

22 A No, he indicated to me that he had spoken to Mr.  
23 Clarridge and Mr. Clarridge assured him he had DDO, or ADDO  
24 approval.

25 Q And that meant that Mr. Clarridge must have spoken

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1 to Mr. Juchniewicz. Is that what you took that to mean?

2 A Yes, sir.

3 Q Okay, if we could jump back to the first  
4 telephone call that you received from <sup>PO</sup> [REDACTED] after you  
5 went home. About what time in the evening was that?  
6 As best you can recall?

7 A It would be sometime before 10:00 in the  
8 evening.

9 Q And could it have been much earlier than 10?

10 A Well, I would've got home at -- if I left at  
11 6, 6:30, I would've been home at 7:30 or so, so sometime  
12 between 7:30 and 10.

13 Q And what did <sup>PO</sup> [REDACTED] say about the second  
14 aircraft in that first conversation?

15 A I believe he stated that the requirements for  
16 the second aircraft had been agreed upon and that the  
17 second aircraft would be positioned also to Tel Aviv.  
18 Of course, we are not talking specific points over a  
19 noncleared line.

20 Q How are you referring to these points?

21 A Almost probably as a -- as a location next  
22 to the country that so-and-so works in, previous  
23 acquaintance.

24 Q How did you first communicate the point of  
25 destination and the point of [REDACTED] of the cargo to

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PO  
[REDACTED]

1

2

A I don't recall.

3

4

Q At some point, someone must have told him the actual names and places; is that right, or was there a code that could be used?

5

6

7

A I don't recall. It really wasn't too germane at this time in the fact that the -- Copp and [REDACTED] were in firm agreement at that point, evidently, as to where the airplane was going to go.

9

10

11

PO  
[REDACTED]

Q In any event, you somehow communicated to [REDACTED] what the pickup point and destination was.

12

13

14

A It could have been reverse communications at that point, but I believe we communicated to him at least the general location.

15

16

PO  
[REDACTED]

Q And what precisely, as best you can recall, did [REDACTED] say would be done with the second aircraft? Where was it; when would it get to Tel Aviv?

17

18

19

A Precisely, it was probably said that it's been [REDACTED] at its next destination and proceed from there to Tel Aviv.

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PO  
Did [REDACTED] inform you when the second

plane was likely to arrive in Tel Aviv?

A I believe he informed me that it was due in there mid-afternoon, noon to mid-afternoon the next day, Tel Aviv time.

Q And when would that be U.S. time?

A Late morning.

Q Late Saturday morning?

A The second airplane you're talking about?

Q Yes.

A Yes. Times are fuzzy. That's a long time ago.

Q I understand and I appreciate your trying.

What else was said in that first phone call, if you can recall?

A This is the first phone call in the evening?

Q That's right.

A I think that was about it.

PO  
Q Did [REDACTED] ever ask you what the nature of the cargo was?

A Nope.

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1 Q And you never told him anything other than  
2 weight and dimension; is that right?

3 A That's right.

4 Q After that first phone call -- and you spoke  
5 to [REDACTED] about that first phone call; is that right?

6 A I believe so.

7 Q And in what -- what did you do? Did you merely  
8 refer --

9 A It was probably, "Boss, everything's on track;  
10 it looks like it's moving along. The first airplane will  
11 be there in the morning. The second airplane tomorrow  
12 afternoon."

13 Q And what did he say?

14 A "Thanks."

15 Q Was he at home when you were calling him?

16 A Yes.

17 Q Anything else that you can recall said in that  
18 conversation?

19 A No.  
20  
21  
22  
23  
24  
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1                   Probably a report of the arrival of the first  
2                   airplane.

3                   Q     And did you receive another phone call on the  
4                   evening of the Friday, the --

5                   A     Don't believe so.

6                   Q     Twenty-second? No, you don't believe so? That  
7                   was the only call you received at home? So what time was  
8                   it that another call came? Is that what the next  
9                   development was, a phone call?

10                  A     Saturday morning, our time.

11                  Q     And from whom did that phone call come?

12                  A     PO [REDACTED]

13                  Q     And what did he say in that phone call?

14                  A     That the first airplane had arrived and they  
15                  were commencing loading.

16                  Q     Who did he say was commencing loading?

17                  A     "They."

18                  Q     He didn't indicate at all who it was?

19                  A     No.

20                  Q     Do you know what airport it was that the plane  
21                  was at in Tel Aviv?

22                  A     I assume it was Ben Gurion.

23                  Q     Is that a military airport?

24                  A     I think it's a joint-use airport.

25                  Q     And did [REDACTED] say anything about whether or

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1 not it was military personnel who were handling the  
2 loading?

3 A No.

4 Q Do you have a firm recollection that he didn't  
5 say that or you can't remember what he said?

6 A I can't remember what he said.

7 Q He might have said that.

8 A Could have.

9 Q If he said that, would that have sent off a  
10 red flag in your mind that this might be something  
11 other than a simple commercial flight?

12 A No.

13 Q That would not have phased you?

14 A No. Somewhere in the conversation, as we go  
15 through Saturday, incompetents were mentioned.

16 Q The people who were loading were referred to  
17 as being incompetents; is that right?

18 A Yes.

19 Q Was anything more said about the people who  
20 were loading? Any further description?

21 A Incompetent and not terribly motivated.

22 Q Were you told how many people were handling  
23 the loading?

24 A No. Not enough, I believe, was the quote.

25 Q Were you told that the first [REDACTED] plane

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1 was several hours late in its arrival in Tel Aviv?

2 A I don't believe so.

3 Q Nothing about there were problems getting it  
4 refueled [REDACTED] and it got there late?

5 A No, that came later in a report that is part of  
6 the notes that I brought with me.

7 Q But that was not something that you were told  
8 of at the time of the phone call?

9 A No.

10 Q Did you go into the office at all over that  
11 weekend?

12 A I don't recall.

13 Q Well, you got a phone call sometime in the  
14 morning; is that right.

15 A Uh-huh.

16 Q And that phone call came from [REDACTED] <sup>PO</sup> is  
17 that right?

18 A Uh-huh.

19 Q Do you recall where you were when you received  
20 that phone call?

21 A No, I don't.

22 Q You could have been at the office?

23 A Could have been at the office. I don't think I  
24 was.

25 Q Do you think you may have been at the office

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1       sometime over that weekend?

2               A     I don't think so.

3               Q     If you were at the office, would it have been  
4       in connection with this activity?

5               A     Saturday is almost a normal duty day in the  
6       office.

7               Q     I guess I'm unclear as to what you're saying on  
8       your recollection about whether you went in or not. What  
9       is your best recollection on the point?

10              A     I don't really recall whether I went to the  
11      office on Saturday or not. The reception of phone calls  
12      from <sup>PO</sup> [REDACTED] wouldn't have been any different being that  
13      we did not have secure phones with him [REDACTED] So  
14      whether I was at the office or not would not have been  
15      relative to this activity and I really don't recall whether  
16      I went to the office or not.

17              Q     Did you ever learn that Saturday morning, and  
18      for the better part of the day, that Colonel North was at  
19      CIA headquarters on Saturday? No one ever told you  
20      that?

21              A     No. Are you telling me that?

22              Q     Well, I believe that CIA visitor records show  
23      that he arrived at 9:50 a.m., and was there for the better  
24      part of the day.

25                    You don't know anything about that; is that right?

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1 A Right.

2 Q I think the visitor records show that it was  
3 Dewey Clarridge that he was with that day.

4 That doesn't help your recollection on that  
5 point.

6 A No.

7 Q Did you speak to Dewey Clarridge at all over  
8 that weekend on this subject or others?

9 A I don't believe so.

10 Q Are you certain that you didn't?

11 A At that Ivory-pure percentage, yes.

12 Q I didn't understand that.

13 A At the 99 and 97/100ths percent Ivory-pure  
14 percentage, yes.

15 Q You didn't speak to him on the phone; you didn't  
16 see him. That's what you're saying?

17 A To the best of my recollection.

18 Q That goes for Friday as well, Friday the 22nd  
19 of November?

20 A Yes, sir.

21 Q Are all of the phone calls that we've talked  
22 about to date -- I guess we've only talked about two since  
23 you've gone, are both those phone calls initiated by

24 <sup>PO</sup> [REDACTED] to you?

25 A I don't know.

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1 Q It's possible that it was you calling him?

2 A I could have called him and asked him what the  
3 status was.

4 Q And the reason you were doing that was because  
5 this was an NSC-requested requirement, and therefore,  
6 you wanted the monitoring; is that right?

7 A I wanted to be ready to answer a question  
8 should it come up.

9 Q Are you aware that there was some question  
10 on Saturday morning about whether or not the cargo that  
11 was to be moved was cargo that had earlier been offered  
12 to [REDACTED] as something to be moved?

13 A I see in the report rendered by the  
14 proprietary manager [REDACTED] that he had questioned  
15 [REDACTED] on this.

16 Q Did you ever discuss this matter with  
17 [REDACTED]

18 A Subsequent to the flight?

19 Q At any time?

20 A Yes.

21 Q When did you discuss it with him?

22 A I don't recall. It could have been coincident  
23 with this 1,600, 1,800 type thing when he asked him, is this  
24 a continuing -- or is this the same requirement, and since  
25 I didn't really know about the previous requirement, I may

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1 have asked the Chief of [REDACTED] and somewhere along  
2 the line, we discussed, was this the same requirement,  
3 whether that be before or after the flight, I don't recall.

PO  
4 Does [REDACTED]

5 Q Are you -- could you show us the document you're  
6 referring to on this point?

7 A Sure.

8 Q From the group of documents you brought with  
9 you?

10 A Uh-huh.

11 Q Is the document you've opened up here the one  
12 that you're referring to?

13 A Yes.

14 Q And is it correct that it's a memorandum dated  
15 30/11/85, re mission Tel Aviv/Tehran? Is that what it  
16 is?

17 A Sure.

18 Q And can you point out in this document that you're  
19 looking at where it is that you see this point addressed?

20 A During my subsequent phone conversation [REDACTED]  
21 [REDACTED] I referred to my memo of 21st of November,  
22 '85 and questioned the way it was displayed to me and supposed  
23 that the cargo was the same and my memo indicated this was  
24 denied.

25 Q Now, [REDACTED] who prepared this document?

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1 A [REDACTED]

2 Q And do you know who he provided it to? Is this  
3 a report from [REDACTED] to [REDACTED]?

4 A Yes.

5 Q And was this something that [REDACTED] PO passed  
6 along to you around the time that it was written or  
7 shortly thereafter?

8 A I think it was something like a couple weeks  
9 thereafter, the next time he came up to Langley.

10 Q And the part of the memorandum you just read  
11 was on the first page; is that right?

12 A Yes.

13 Q And it refers to another memorandum dated  
14 11/21/85; is that right?

15 A Uh-huh.

16 Q Do you have that memorandum here with you?

17 A No, I don't.

18 Q You don't.

19 We have that document, but it's been redacted  
20 quite heavily. This appears to be the memorandum that is  
21 referred to in the other memorandum; is that right?

22 A Same date.

23 Q And paragraph 3 refers to -- it's headed [REDACTED]  
24 [REDACTED] is that right?

25 A Uh-huh

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1 Q It refers to the cargo being declared to be  
2 medicine, but is in reality ammunition. Is that right?

3 A Uh-huh.

4 Q Have you ever seen this document before today?

5 A Obviously I hadn't.

6 Q And does this appear to be a report prepared  
7 by <sup>m</sup> [REDACTED] to <sup>PO</sup> [REDACTED]?

8 A Yes.

9 Q And were -- when would you have received this  
10 document; do you know?

11 A Probably at the same time as receipt of the 30  
12 November document.

13 Q And why would those have come to you  
14 together?

15 A <sup>PO</sup> [REDACTED] carrying them during his visit to  
16 Langley.

17 Q Do you know when he visited Langley?

18 A No, I don't.

19 Q But you recall that it was within a matter of  
20 weeks after the November Hawk flight; is that right?

21 A Yes.

22 Q Do you -- let me just state for the record,  
23 we have a very heavily redacted copy of that document,  
24 Mr. Schilling, and I think it's important that we get a --  
25 and I would request right now -- a fully unredacted copy

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1 of that for our record.

2 MR. SCHILLING. After the deposition, I think  
3 we can discuss the procedures for getting the documents  
4 in here that you don't have. I suspect the redacted  
5 material in there is repor-s [REDACTED]  
6 [REDACTED] not related to this particular thing.

7 MR. CAROME. The particular paragraph we  
8 refer to seems to be perhaps directly relevant.

9 BY MR. CAROME:

10 Q The paragraph 3 in the document we were just  
11 reviewing [REDACTED] did you have any knowledge of  
12 that reference to a flight by another airlines [REDACTED]  
13 [REDACTED] to Tehran?

14 A No.

15 Q And by the time frame of my question is  
16 this November 1935 weekend, you knew nothing about that  
17 at the time; is that right?

18 A Not to my remembrance.

19 Q Did you later learn that [REDACTED]  
20 [REDACTED]

21 A Just now.

22 Q But prior to this time, you had no knowledge  
23 of that?

24 A No.

25 Q That is the type of personal matter that

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1 [REDACTED] would certainly bring to your attention if they  
2 were considering engaging in; is that right?

3 A Would at least bring to the Chief of [REDACTED]  
4 attention.

5 Q But to the best of your recollection, that matter  
6 was never brought to your attention. Is that right?

7 A Uh-huh.

8 Q After the first telephone call -- well, let me  
9 just try to see if there is anything else that was mentioned  
10 in that first phone call on Saturday morning.

11 A Okay.

12 Q You're told that the first [REDACTED] plane had  
13 landed in Tel Aviv and you're told that loading has  
14 begun and I gather that you're told that loading is going  
15 slowly. Does that all come to you in the first phone  
16 call?

17 A I don't know how many phone calls we're going  
18 to add up to Saturday and Sunday of this weekend and I'm  
19 not going to speculate on what order these telephone calls  
20 came in.

21 Q Okay.

22 A But sometime during that time frame, yes, the  
23 information came in that loading was particularly difficult.

24 Q And all the communications are from <sup>PO</sup> [REDACTED]  
25 to you; is that right? All of these series of phone

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1 calls?

2 A No, there were also phone calls from <sup>PO</sup> [REDACTED]  
3 to [REDACTED] and probably vice-versa.

4 Q And do you understand -- do you know whether or  
5 not [REDACTED] went into the office at any time --

6 A I understood he did go in, but I don't have  
7 any -- I don't have any confirmation.

8 Q Did any of the phone calls that you made over  
9 that weekend to him -- I gather you were also in touch  
10 with him by phone; is that right?

11 A Yes.

12 Q And do you recall at any time over that  
13 weekend calling him at the office?

14 A I don't recall whether I would have called him  
15 at the office or at home. I'm sure I called him at his  
16 home. Whether I called him at his office or not, I don't  
17 remember.

18 Q Do you know whether or not he was in the office  
19 for the purpose of monitoring this [REDACTED] flight  
20 activity?

21 A No, I don't.

22 Q He could have been in for another purpose, is that  
23 what you're saying?

24 A Uh-huh.

25 Q You don't know one way or the other; is that

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1 right?

2 A Uh-huh.

3 Q And, indeed, you're not sure whether or not  
4 he was in the office.

5 A No. I suggest you ask [REDACTED] C

6 Q By the way, is [REDACTED] who, I gather, is  
7 Chief of [REDACTED] is he -- strike that.

8 Was [REDACTED] Chief of [REDACTED]

9 [REDACTED] involved at any time, either on Friday or over the  
10 weekend, Saturday and Sunday, in this monitoring and  
11 handling of the [REDACTED] flight activity? C

12 A I don't know. That would have been [REDACTED] C

13 and [REDACTED] My contact was with [REDACTED] C

14 Q You had no contact with [REDACTED] on the  
15 subject, either on Friday, Saturday or Sunday. Is that  
16 right?

17 A That's right.

18 Q And you didn't see or hear [REDACTED] talking  
19 about this subject; is that right?

20 A No.

21 Q How is it that you know that [REDACTED] was  
22 also in touch with [REDACTED] PO on Saturday?

23 A I think there were some times that I wasn't  
24 by the phone and he had a series of phone calls where  
25 [REDACTED] PO indicated he had been talking to [REDACTED] C

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1 Q What happened next? What do you understand  
2 happened next in Tel Aviv on the loading front and other  
3 ones?

4 A I think sometime coincident with the arrival  
5 or near the time of the arrival of the second 707, the  
6 destination changed [REDACTED] to Tehran.

7 Q Who changed the destination?

8 A Customer.

9 Q Customer being Mr. Copp?

10 A Mr. Copp.

11 Q And about what time did you learn that the  
12 destination was being changed, as best you can recall?

13 A Late afternoon Saturday.

14 Q Late afternoon Washington time?

15 A Yes.

16 Q And who did you learn that from?

17 A <sup>PO</sup> [REDACTED]

18 Q He telephoned you and told you that?

19 A Uh-huh.

20 Q What did he say in that telephone call?

21 A It was, again, an unsecured call so you were  
22 talking about countries between where Ed used to live and  
23 Joe lives now type thing. After I deciphered it, I passed  
24 that to [REDACTED] <sup>C</sup>

25 Q Do you know where [REDACTED] <sup>C</sup> was when you called

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1 him? You telephoned him; is that right?

2 A Yes.

3 Q Is there any chance you told him that in  
4 person?

5 A If I was in, yes.

6 Q And do you have a recollection as to whether  
7 or not this conversation or any of the conversations  
8 you had with <sup>C</sup> over the weekend were in person?

9 A To the best of my knowledge, they weren't.

10 Q They were all --

11 A I don't recall them in person.

12 Q And you think it's more likely than not that  
13 they were all by phone; is that right?

14 A Yes.

15 Q And what -- first of all, what did <sup>PO</sup>  
16 tell you about the question of changing the location or  
17 changing the destination to Tehran?

18 A He indicated that the proprietary manager,  
19 <sup>M</sup> had determined that it was not proper to  
20 use the end-U.S. registered airplane due to the destination  
21 and pulled it off and he wanted <sup>C</sup> confirmation  
22 that that was a correct and proper decision, which was  
23 passed up to <sup>C</sup> and then passed back down, and the  
24 fact that <sup>M</sup> was proceeding to have the  
25 end-registered airplane downloaded and <sup>C</sup>

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1 registered airplane now loaded with the mission cargo.

2 Q In these telephone calls on Saturday, when  
3 you refer something to [REDACTED] do you understand that  
4 he is then getting in touch with someone else and passing  
5 the message on to a higher authority in the CIA?

6 A Yes.

7 Q And who is it that you understand he's  
8 dealing with?

9 A I didn't have any understanding of it.

10 Q But other than Mr. Clarridge, you don't know  
11 of anyone higher up that he was dealing with; is that  
12 right?

13 A Right.

14 Q But you do understand that he was communicating  
15 with someone superior to him?

16 A Yes.

17 Q On every call or just some of the calls?

18 A On the calls he deemed appropriate. I'm not  
19 going to ask my boss --

20 Q Let's take this one call about the destination  
21 being changed [REDACTED] to Tehran. You then -- you called  
22 [REDACTED] and told him about that, right?

23 A Uh-huh.

24 Q Did you say, [REDACTED], do we have approval  
25 for this?"

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1           A     I think that, again recalling back almost a  
2 year and a half ago now, the conversation went something  
3 like: <sup>C</sup> [REDACTED] do you know -- are you firmly know where  
4 that destination is and do we have the requisite  
5 approval for that destination?" He says, "I will get  
6 back to you." He called back and answered in the  
7 affirmative.

8           Q     Why are you asking <sup>C</sup> [REDACTED] for confirmation  
9 on the destination?

10          A     Because now we are into one of those areas  
11 that doesn't seem too normal to operate into.

12          Q     Are you asking -- when you say to confirm the  
13 destination, you're saying to confirm that it's all right  
14 to take [REDACTED] plane there; is that right?

15          A     Uh-huh.

16          Q     You're not asking him to confirm whether or not  
17 that's the correct destination?

18          A     No.

19          Q     So after a certain amount of time, <sup>C</sup> [REDACTED]  
20 then called you back; is that right?

21          A     Yes.

22          Q     And he told you that he had spoken to someone?

23          A     No, he said it's all right to go there.

24          Q     Did you understand that in the interim, he had  
25 checked that question out with someone else?

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1           A       I would anticipate that that is the reason  
2 he did not give an immediate confirmation.

3           Q       But he then ultimately did call you back and  
4 give you a confirmation; is that right?

5           A       Yes.

6           Q       And about what time of day is this on  
7 Saturday?

8           A       Saturday afternoon.

9           Q       Can you be more precise?

10          A       Late afternoon. Five o'clock.

11          Q       Did you keep any notes at all over that weekend  
12 on this subject matter? You took no notes?

13          A       That's right.

14          Q       Is it normal for you to take no notes on flight  
15 activities by a proprietary?

16          A       If I'm not controlling the flight, I won't  
17 take notes.

18          Q       And it was your view that you weren't controlling  
19 the flight; is that right?

20          A       Yes, sir.

21          Q       Although you were closely monitoring the flight;  
22 is that right?

23          A       Yes.

24          Q       Because it was important in case you needed to  
25 answer questions to the NSC; is that right?

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1           C           A       In case I needed to answer questions from  
2           [REDACTED]

3           Q       And the reason that questions might come up  
4       is because this was an NSC operation; is that right?

5           A       Yes.

6           Q       I take it that you then, late in the afternoon  
7       on Saturday, Washington time, then called [REDACTED] PO and  
8       said, "It's okay to take the non-U.S.-registered [REDACTED]  
9       plane into Iran;" is that right?

10          A       I'm sure it wasn't quite that succinct over  
11       the telephone, but --

12          Q       Maybe -- could you give me a better idea of  
13       what the conversation was like on the phone?

14          A       You can proceed with your non-U.S. airplane to  
15       destination.

16          Q       And what did he reply?

17          A       Okay.

18                   MR. SCHILLING. Can we go off the record.

19                   MR. CAROME: Off the record.

20                   (Discussion off the record.)

21                   MR. CAROME: Back on the record.

22                   BY MR. CAROME:

23           Q       After you passed the word to [REDACTED] PO that it  
24       was all right to go to Tehran, what happened next?

25          A       Well, somewhere about this time, it became known

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1 that the load was very difficult and it was going to take  
2 somewhere around 16 hours to load.

3 MR. CAROME. Let's go off the record for one  
4 point.

5 (Discussion off the record.)  
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1 MR. CAROME: Back on the record.

2 EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

3 Q I take it that the switch in locations had the  
4 effect of limiting you to use only one plane; is that  
5 correct?

6 A That is right.

7 Q And, in fact, you had to unload material that  
8 had already been loaded on to the U.S.-registered plane;  
9 is that right?10 A Yes -- I understand somewhat in retrospect that it  
11 had been four.

12 Q Four items had been loaded onto it?

13 A Uh-huh.

14 Q You did not know that at the time?

15 A No.

16 Q And when it was initially anticipated that two  
17 planes could go -- was there simultaneous loading taking  
18 place on two planes?

19 A There was to be, yes.

20 Q Did that process of simultaneous loading ever  
21 begin, as you understand it?

22 A I think it did.

23 Q What happened to the U.S.-registered plane, once  
24 it was determined that it was not going to be able to make  
25 the flight?~~UNCLASSIFIED~~  
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jm 2

1 A It was down loaded, or put in a more common  
2 vernacular, unloaded, and departed Tel Aviv [REDACTED]  
3 [REDACTED]  
4 [REDACTED]  
5 [REDACTED]  
6 [REDACTED]  
7 [REDACTED]

8 Q Who made the decision about what should be  
9 done with the U.S.-registered plane?

10 A Proprietary manager, confirmed by, at least [REDACTED]  
11 [REDACTED]

12 Q And that would have been through you?

13 A Yes, I believe it was.

14 m Q So you received a phone call from [REDACTED] saying  
15 [REDACTED] wants to send this U.S.-registered plane  
16 back [REDACTED] and you asked [REDACTED] is that okay;  
17 and he told you, yes, it was?

18 A Most probably it wasn't said, send back [REDACTED]  
19 it was not to use the U.S.-registered airplane.

20 Q And therefore, release it for whatever the  
21 proprietary manager wants to do with it?

22 A That is right.

23 Q What did you learn next on that Saturday afternoon  
24 now, I guess, it is getting even later on Saturday -- about  
25 activities in Tel Aviv?

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1           A     That the loading was difficult; that they anticipated  
2 the airplane to be erased some time after midnight -- midnight  
3 time. And at that point, once they were done, they were  
4 done, they would proceed on. There was also evidently a  
5 discussion of payment, how that would be accommodated; and  
6 the captain didn't have enough money to pay the landing  
7 fees and fuel for the Tehran flight -- he had anticipated  
8 only going [REDACTED] -- the company had anticipated only  
9 going [REDACTED] And there was a Mexican standoff between  
10 the proprietary manager and, now I understand to be, a  
11 Mr. Schwimmer, in Tel Aviv, as to the amount of money  
12 that would have to be provided to the captain as a more or  
13 less downpayment to get the flight off the ground.

14           Q     And what were the various positions in this  
15 Mexican standoff, as you describe it?

16           A     The proprietary manager's saying, we are not going  
17 to proceed with, I believe, it was. without \$30,000 in the  
18 captain's pocket.

19           Q     And that \$30,000 would be just a downpayment; is  
20 that right?

21           A     Yes, sir.

22           Q     And what was Mr. Schwimmer's position at this time,  
23 as you understand it?

24           A     As I understand it, he said he didn't have  
25 \$30,000. This is -- this gets difficult because we are now

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1 mixing what we knew at the time and what we know now.

2 Q All right.

3 I would rather stick to what we -- to what you  
4 knew at the time; what did you know at the time about this  
5 Mexican standoff?

6 A There was a question about the ability for the  
7 customer to provide the appropriate amount of money to  
8 accomplish the flight. And the proprietary manager says,  
9 no money, no flight. And that somewhere along  
10 the line the person, not further identified at that time,  
11 in Tel Aviv, did provide the money necessary to accomplish  
12 this first flight.

13 Q But it was never -- it was never \$30,000 that  
14 was provided; was it?

15 A I don't know.

16 Now are we talking about at the time, or are we  
17 talking about what we know now?

18 Q What you have learned since; it wasn't \$30,000 that  
19 was provided; was it?

20 A I think it was something like \$8,000 that was  
21 provided.

22 Q Do you think one reason that the proprietary  
23 manager was making money an issue was to create an image with  
24 Mr. Copp that this was being handled on a commercial basis,  
25 but that he didn't really care about the money?

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1 A I prefer not to speculate on that; I don't think  
2 so.  
3 Q By the way, [REDACTED] <sup>m</sup>, where do you understand  
4 him to be located at this point?  
5 A [REDACTED]  
6 Q He never, to the best of your knowledge, left  
7 [REDACTED]  
8 A No.  
9 Q He didn't go to Tel Aviv, for example?  
10 A No.  
11 Q Are you sure of that?  
12 A No, I am not.  
13 Q But to the best of your knowledge, he did not?  
14 A To the best of my knowledge, he did not.  
15 Q So how is [REDACTED] <sup>m</sup> -- strike that.  
16 How do you understand [REDACTED] <sup>m</sup> to have been  
17 getting news about what is going on in Tel Aviv?  
18 A Either through his [REDACTED] office, which, again,  
19 was a managing office for the 707 aircraft, or directly  
20 through a, what we call a phone patch, through HF radio  
21 to the airplane.  
22 Q He could have actually been speaking from his  
23 telephone to the pilot?  
24 A Yes.  
25 Q Would there have been a secure communication?

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1 A No. Again, this would be a strict commercial  
2 communication.

3 Q Are you -- were you aware over that weekend, how  
4 it was that <sup>m</sup> [REDACTED] was communicating with the  
5 people in Tel Aviv?

6 A No. Obviously it is emanating from the airplane  
7 in Tel Aviv, either through the <sup>m</sup> [REDACTED] office or directly  
8 to [REDACTED] location.

9 Q Did you ever learn that [REDACTED] pilot was  
10 actually at Mr. Schwimmer's house? <sup>m</sup>

11 A In the report that [REDACTED] submitted, it  
12 indicates that.

13 Q But you didn't know that at the time over the  
14 weekend; is that right?

15 A It wouldn't have been germane.

16 Q Did you know who Mr. Schwimmer was over the  
17 weekend?

18 A No.

19 Q Did you know that there was some representative  
20 of the customer, other than Copp, over the weekend?

21 A Yes.

22 Q You knew that there was some---

23 A There was some ground person on Tel Aviv, at that  
24 time I assumed it was Copp, because I didn't know where  
25 Copp was.

Q You did not know that Copp was

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jm

1 A No.

2 Q Where did things stand, as of Saturday evening,  
3 Washington time?

4 A Loading proceeding difficult---

5 Q Let me ask you one feature that I believe you are  
6 familiar with but haven't mentioned. Did the subject of  
7 painting the U.S.-registered plane arise some time during the  
8 day on Saturday?

9 A Either sometime during the day on Saturday or  
10 Saturday evening, when [REDACTED] refused to fly the  
11 U.S.-registered airplane to Tehran, a customer offered  
12 to repaint and ostensibly re-register the airplane [REDACTED]  
13 [REDACTED] turned that down also.

14 Q Did he check with you before turning that down?

15 A I believe so -- coincident with the flight of the  
16 end-registered airplane was the deal to repaint and re-register.

17 A So the question of whether the U.S.-registered  
18 plane would go at all Tehran and the question of whether  
19 or not it ought to be repainted and re-registered, may  
20 have come up in this same telephone call; is that right?

21 A Same time frame, anyway.

22 Q And that was the latter part of Saturday afternoon,  
23 as best you can recall?

24 A Okay -- yes, I am sorry.

25 Q What happened next?

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1 Let me ask you, do you have -- strike that.

2 Did you, at any time in this Saturday afternoon,  
3 Saturday evening time frame, learn where it was at the  
4 Tel Aviv airport that the loading was going on?

5 A No.

6 Q Did you ever learn that it was military people  
7 handling the loading?

8 A No.

9 Q You never learned that, in fact, even by the  
10 time the activity was over a few days later, you still  
11 hadn't learned that there were military people involved  
12 in Tel Aviv, on the ground, loading [REDACTED] planes;  
13 is that right?

14 A Not to my recollection.

15 Q Is that a fairly firm recollection, do you know  
16 that? It is a firm recollection?

17 A Yes.

18 Q Is it true -- and this goes to the point Mr.  
19 Barbadoro was raising before he left, that normally  
20 military equipment, explosive military equipment such as  
21 missiles, is loaded in a different part of an airport from  
22 where normal commercial material is loaded onto a plane?

23 A Yes, it would not use -- it would use what is called  
24 a hot cargo area, which would be in a remote area of  
25 the airfield, and it is not necessarily indicative that you

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1 were loading explosives, it might be indicative that you  
2 were loading cargo that you didn't want the commercial  
3 venue of the airport to be aware of.

4 Q But, in any event, it is the norm in the airline  
5 industry throughout the world to load equipment such as  
6 missiles in a hot cargo remote area; is that right?

7 A Yes. But it is also the norm to load large or  
8 bulky items in an area outside the normal freight operations  
9 area in an airport.

10 You don't pull the airplane up to the passenger  
11 gate to load the freight items.

12 Q Did you learn that a hot cargo area was being  
13 utilized for the loading of [REDACTED] planes in Tel Aviv?

14 A No.

15 Q You didn't know that?

16 A No.

17 Q Did any of the discussions about finances that  
18 arose, once Tehran became the destination, involve the  
19 question of insurance and the insurance involved in taking  
20 a plane into Iran?

21 A No.

22 PO Q You don't recall any conversations with [REDACTED]  
23 [REDACTED] about insurance?

24 A No. Could have had it.

25 Q Have you learned since whether or not special

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jm

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1 insurance was obtained for those flights into Tehran?

2 A No. It could be in one of the reports that I  
3 just don't recall reading.

4 Q Are you aware of any special insurance requirements  
5 involved in taking a plane into Tehran?

6 A If you had hull insurance on an airplane, or  
7 what you would call comprehensive on an auto insurance  
8 policy, that replaces the value of the airplane if lost  
9 in the war areas of the Red Sea -- whatever the body of  
10 water is that we just had a ship shot out, any operations in  
11 that area, then requires a special rider on the insurance  
12 policy. Being that [REDACTED] registered 707 was not  
13 covered under a hull insurance, I don't think any additional  
14 insurance rider is required.

15 Q How would the insurance have been handled then on  
16 this?

17 A Under its existing policy. We are talking just  
18 about a liability type coverage.

19 Q And under that arrangement, there would have  
20 been no need to pay an additional insurance premium, as  
21 you understand it?

22 A As I understand it -- unless there is a requirement  
23 in aviation industry to have additional liability insurance  
24 to pay for crashing into the runway and having explosives  
25 onboard.

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jm

1 Q But that would be insurance based on the nature  
2 of the cargo rather than the nature of the destination;  
3 is that right?

4 A That is right.

5 Q Yes?

6 A Yeah.

7 Q In any of your discussions with <sup>PO</sup> [REDACTED] or anyone  
8 else over that weekend, was there ever any discussion that  
9 the possible destination of the cargo was not Tehran but  
10 instead Tabriz, another city in Iran?

11 A There may have been, but it wouldn't have been a  
12 great concern because, obviously, the customer is telling  
13 the captain where he wants to go.

14 Q Do you recall that at one point the destination  
15 was described as Tabriz?

16 A No, I don't.

17 Q Do you recall Tabriz coming up at all?

18 A No. Again, we're on unsecure phones, and it  
19 wouldn't be prudent to discuss the particular destinations  
20 like that. And I don't recall talking around that. I  
21 wouldn't know how to talk around that---

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93

jm

1 Q So all communications with him were by telephone;  
2 is that right?

3 A Yes, sir.

4 Q And did you ever deal, at any time over that  
5 weekend, with [REDACTED] or anyone else at [REDACTED]  
6 itself?

7 A No.

8 Q Did you ever receive CIA intelligence information  
9 about what was going on with the flights?

10 A No, other than an indication from [REDACTED]  
11 that there was a problem with overflight [REDACTED]

12 Q When did that subject come up?

13 A When the airplane was sitting on the ground [REDACTED]  
14 [REDACTED]

15 Q Okay, we haven't, I think, quite gotten there  
16 in our chronology here.

17 Was there a -- when the question of taking the  
18 plane into Tehran arose, was there a need to get approval  
19 at the level of ADDO or above, that occurred to you?

20 A Yes.

21 Q I believe you have already said that you have  
22 talked to [REDACTED] about getting approval; do you know  
23 who it was that he went and got such approval from?

24 A No, I don't.

25 Q Did you assume that it was at the level of ADDO  
or above?

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jm

1 A Yes.

2 Q That you got that approval -- that would have been  
3 higher than Mr. Clarridge; is that right?

4 A Yes. Mr. Clarridge, at that time, was chief  
5 of Europe, which works for the DDO.

6 Q Was it unusual that [REDACTED] was dealing  
7 directly with Mr. Clarridge, was that something that  
8 happened often?

9 A Once [REDACTED] management level had given  
10 policy level type approval, it is not uncommon for them  
11 to back out of the day-to-day or minute-by-minute management  
12 time or report scheme.

13 Q But would it have been necessary for management  
14 level to have given [REDACTED] approval before he started  
15 dealing directly with Mr. Clarridge?

16 A Yes.

17 Q And by management level, [REDACTED] management  
18 level is [REDACTED] and [REDACTED] is that right?

19 So you would assume that he before he started  
20 dealing directly with Mr. Clarridge, [REDACTED] and [REDACTED]  
21 [REDACTED] would have given the go-ahead to allow for that kind  
22 of direct contact with the chief of the European division;  
23 is that right?

24 A We use the word "assume," and that is correct.

25 Q You assumed that?

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1 A Yes.

2 Q You don't know whether or not that type of  
3 approval happened?

4 A No, I don't.

5 Q What happened next on that Saturday evening?

6 A Well, I think we would probably be into Sunday  
7 morning, at least U.S. time, not Tel Aviv time.

8 Q All right. What happened Sunday morning on this  
9 front?

10 A A report comes back that it is not going to take  
11 16 hours, but about 24 hours to load the airplane.


12 Q And that is 24 hours, starting from the time  
13 it touched down in Tel Aviv; is that how you are measuring  
14 that?

15 A Yes.

16 Q And am I right that the -- it was probably also Sunday  
17 morning that the U.S.-registered plane also departed  
18 Tel Aviv?

19 A Definitely Sunday morning, Tel Aviv time; whether  
20 this is Saturday evening U.S. time, I am not sure. We could  
21 look back through the chronology that you have in front of you.

22 Q My indication is that it was probably around  
23 7:00 a.m., Washington time that the U.S.-registered plane  
24 left Tel Aviv, does that seem consistent with your recollection?

25 A I think that is consistent with 

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1 report.

2 Q I think that is probably where I got that number  
3 from?

4 A Okay.

5 Q What was the status of the activity on Sunday  
6 morning, Washington time?

7 A Well, we just established U.S.-registered planes  
8 leaving or continuing loading [REDACTED] registered aircraft.  
9 They have resolved the payment issue at this time, and the  
10 flight is ready to depart as soon as it is loaded.

11 Q And at this point it is your understanding that  
12 there is going to be a series of three flights; is that  
13 right, by this one plane?

14 A Yes.

15 Q Because that is going to be the only way to get  
16 all of that cargo to Tehran?

17 A But no one is worrying about number 2 and 3 right  
18 now, everyone is just trying to get number 1 loaded and  
19 off the ground.

20 Q Because number 1 is, in itself, something of a  
21 major problem; is that right?

22 A There appears to be a major problem to get those  
23 things on the airplane, yes.

24 Q And at this point, Sunday morning, is it your  
25 understanding that it is going to be a direct flight from

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jm

1 Tel Aviv to Tehran; is that what you were anticipating?

2 A I don't think that question ever came up until  
3 [REDACTED] stop came up, and the report back of routing of  
4 Tel Aviv [REDACTED] Tehran, and [REDACTED] stop was not a  
5 surprise, in the fact that there would be one, what we call,  
6 tech stop---

7 Q How do you spell tech?

8 A T-e-c-h, stands for technical, which is common  
9 in the airline industry when you are going from one  
10 country to another that may not be on the best terms.

11 Q And does that kind of tech-stop happen even in  
12 the course of normal commercial flights?

13 A Sure.

14 Another example that puts it in perspective was  
15 past operations between Tel Aviv and [REDACTED], just strictly  
16 passenger operations required going up to [REDACTED] or [REDACTED]  
17 to [REDACTED] or [REDACTED], in order to get two countries to  
18 talk to each other, you can't fly between.

19 So [REDACTED] was chosen by the customer---

20 Q Is this something that is communicated to you  
21 by telephone by [REDACTED] <sup>PO</sup> is that right?

22 A Yes.

23 Q And you are still contacting [REDACTED] <sup>C</sup> with  
24 this information, passing it up to him, and he passes down  
25 to you if that is okay, or go ahead; is that right?

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1 A It is more of an information mode, at this time.

2 Q All right.

3 A We also are planning on stopping [REDACTED]

4 [REDACTED] for a tech-stop.

5 Q And what did [REDACTED] say?

6 A He accepted the information -- beyond his interest  
7 at this point, being that that involves a technical  
8 operation of the airplane. It is really a proprietary  
9 manager responsibility.

10 Q All right.

11 A As we discussed last Friday, about this time,

12 [REDACTED] proved to be a bad choice by the customer.

13 Q Why was that?

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21 Q Did this problem occur to you when you first  
22 heard about [REDACTED] problem?

23 A No, but shortly thereafter the -- with 20-20  
24 hindsight, it reared its ugly head.

25 Q How is that?

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jm

1 A When the airplane arrived [REDACTED] for the  
2 tech-stop, the first problem was that there was no manifest  
3 for---

4 Q Were you told that by telephone?

5 A Yes. Because at this point the captain of the  
6 airplane was in somewhat of a problem with the airport  
7 authorities for not having a manifest for this tech-stop.

8 And he had gone to his [REDACTED] office, or to [REDACTED] m  
9 and said, I need help [REDACTED] had come to [REDACTED] PO

10 [REDACTED] PO had come to me and said, can we help him? I went  
11 to [REDACTED] and said, boss, we have got to help them, now we've got  
12 them in hot water, and he contacted somebody---

13 Q Who is he; [REDACTED] C

14 A [REDACTED] C

15 And we reversed the chain now, the answer was,  
16 they are on their own.

17 Q [REDACTED] C came back to you and said, tell them they  
18 are on their own?

19 A That is right. Which just made me happier than  
20 heck.

21 Q Why is that?

22 A Well, I would -- I could have been conceivably  
23 sitting there talking to [REDACTED] and not  
24 feeling very comfortable in my present situation. PO

25 Q Did you communicate that back to [REDACTED] PO

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jm

1 A Yes.

2 Q What did he say?

3 A He was about as happy as I was.

4 Q He was glad not to have to worry about that one,  
5 too?

6 A No; he was upset about the fact that we couldn't  
7 help them -- we put them into this situation that we now  
8 couldn't help them with.

9 Q And that was similar to the way you felt?

10 A Yes.

11 And he communicated this to <sup>m</sup> [REDACTED] and  
12 about this time the information again reversing the flow  
13 comes that the captain had produced a manifest, and now  
14 everything was clear with [REDACTED]  
15 [REDACTED] and the airplane was cleared to depart.

16 There probably had been some money that crossed  
17 hands that helped that situation along.

18 Q That money -- money passing hands from [REDACTED]  
19 [REDACTED] pilot to [REDACTED] is that what you are  
20 suggesting?

21 A Yes.

22 Q Yes?

23 A Yes. Not an uncommon practice either, overseas---

24 Q A manifest problem deals with cargo, is that  
25 right?

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1 A Uh-huh.

2 Q Manifest for the cargo?

3 A Well, it could be passenger manifest, also.

4 Q But in this case the manifest would have been  
5 a document that described the cargo; is that right?

6 A Uh-huh.

7 PO Q In this conversation that you were having with  
8 [REDACTED] and that you were having with [REDACTED] about this  
9 manifest problem, didn't the subject, what the nature of this  
10 cargo was come up?

11 A No.

12 Q Does that strike you as strange, that you were  
13 worrying about a manifest but didn't know what the cargo  
14 was?

15 A I wasn't worried about a manifest; I was worried  
16 about any help that we could give the crew and figured that  
17 they would eventually produce their own manifest anyway.

18 Q Isn't it likely that the crew in having to figure  
19 out what to do with the manifest, would have learned, or would  
20 have taken the time, probably, to find out what the hell was  
21 in the crates on the plane?

22 A I can't answer for the crew.

23 Q Isn't it almost inconceivable, though, that the --  
24 that that problem could have been surmounted by the crew  
25 without communicating to [REDACTED] what it was

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jm

1 that they were carrying?

2 A I don't understand the genesis of your question.

3 Q Well, my point is that -- one question here is  
4 whether or not the crew was witting of what the cargo was?

5 A Sure.

6 Q And I am suggesting that it is very unlikely, indeed  
7 perhaps inconceivable that the crew could have had this  
8 crisis over a manifest [REDACTED] without, during the course  
9 of resolving that crisis, finding out what it was that it  
10 was carrying; would you agree with that?

11 A Somewhat; if I were in that situation, I would  
12 produce a manifest that says something, just to get me out  
13 of my situation.

14 Q You would probably try to figure out what the  
15 heck it was you were carrying, too, wouldn't you?

16 A No. I might be curious as to what I was  
17 carrying, but I will take a look at the containers, if they  
18 are closed, and produce a manifest of something that looks  
19 reasonable for those containers.

20 Q Don't you think it is likely that they -- that [REDACTED]  
21 [REDACTED] probably even boarded the plane and looked  
22 in, and maybe even opened up one of these things and found  
23 out what it was?

24 A No.

25 Q Did you ever have any indication that that  
happened?

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A No.

Q Well, in any event, how did the manifest crisis resolve itself?

A Reportedly from the report from the proprietary manager that we now have in front of us, is that they manifested the cargo as oil drilling equipment and proceeded on.

Q Just so we are clear on what it is we are talking about -- could you mark this as the next exhibit, I guess, it will be Exhibit 2?

(The following document was marked as Exhibit [REDACTED] 2 for identification:)

COMMITTEE INSERT

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BY MR. CARP

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jm

1 Q [REDACTED] I show you what has been marked as  
2 Exhibit 2, and I ask you, is that the report of the proprietary  
3 manager that you were just referring to?

4 A Yes.

5 Q And, I am actually more at this point, more  
6 interested in learning what you knew at the time -- what  
7 did you understand at the time was -- what were you told at  
8 the time about how the manifest crisis was resolved?

9 A That the captain had provided a manifest and  
10 that [REDACTED] if there is any such  
11 thing -- the customs authority [REDACTED] had agreed to  
12 release the airplane.

13 Q In about what time was that that you learned  
14 that information?

15 A This would have been Sunday evening.

16 The next problem, however, was the problem of  
17 the overflight [REDACTED]

18 Q And when did you learn about that problem?

19 A Sunday evening.

20 Q Is this again in a phone call from [REDACTED] PO

21 A Uh-huh.

22 Q And did you inform [REDACTED] C of this problem?

23 A Yes. And asked for any assistance that could  
24 be provided to facilitate the overflight [REDACTED]

25 Q And what happened on that front?

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jm

1 A He said he would see what he could do, but the  
2 crew could continue to -- should continue to press forward  
3 in filibuster mode to get across [REDACTED]

4 Q [REDACTED] passed that direction to you to pass  
5 to [REDACTED] is that correct?

6 A Yes.

7 Q So that they were to take off [REDACTED] on  
8 route to Tehran, and were to try to make it through [REDACTED]

9 A They would attempt to take off. You are not going  
10 to take off anywhere until you get a clearance from air  
11 traffic control authorities, and that is coincident with  
12 receiving over-flight clearances from the countries  
13 involved in those cases. So the direction that most  
14 probably was passed, is to continue to work the problem---

15 Q Do you recall passing a message of that sort?

16 A Yes.

17 Q And what happened on that front?

18 A They eventually took off.

19 Q And that involved getting clearance from the  
20 controllers [REDACTED] is that right?

21 A That is right.

22 Q You understand that there, perhaps, was a -- that  
23 money changed hands to smooth that problem out?

24 A I mean, that wouldn't be common.

25 Q That would be uncommon?

A Yes.

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1 And according to your Exhibit 2 here, the crew  
2 did take off, proceed to cross [REDACTED] and receive numerous  
3 questions coming across [REDACTED] as to the clearance number, and  
4 so forth.

5 Q And did you, at the time, were you aware -- I guess,  
6 this is now some time after---

7 A Sunday night, sometime.

8 Q Sunday evening -- were you aware of the problems  
9 in getting through [REDACTED]

10 A We were aware of the original problem.

11 Q The original problem being what?

12 A One of lack of air traffic control clearance to  
13 depart [REDACTED]

14 Q Uh-huh.

15 A -- attributed: to be the lack of overflight  
16 clearance [REDACTED] that being passed to [REDACTED]  
17 he said he would do what he could to help. C

18 Q What did you understand [REDACTED] to mean when  
19 he said he could do what he could do to help -- do what he  
20 could to help?

21 A He would forward this to his, whatever contacts  
22 he had, and see if there was some way that they could help  
23 with [REDACTED]

24 Q His contacts; who did you understand his  
25 contacts to be?

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1 A I would -- his upper management contacts, I would  
2 think it would be Mr. Clarridge at this point. PO

3 Q What is the next report you get from [REDACTED]  
4 as to the status of the flight?

5 A Airplane is on the ground at Tehran.

6 Q And what time did you receive word of that?

7 A Late Sunday evening, U.S. time.

8 Q Probably sometime after 10:00 p.m., would that  
9 make sense?

10 A Uh-huh. PO

11 Q And what did [REDACTED] relate to you on -- about  
12 in that telephone call?

13 A The airplane is on the ground and being unloaded.

14 Q Did he, in that phone call, say anything about  
15 who was doing the unloading?

16 A No.

17 Q Did he give any indication that it was military  
18 personnel in Tehran that were handling the unloading?

19 A No.

20 Q Did he say where the [REDACTED] crew was at the  
21 time?

22 A The crew had been gone to the hotel.

23 Q Did he tell you that in that phone call?

24 A I believe so.

25 Q Did he say anything to you about how [REDACTED]

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jm

1 clearance had been handled?

2 A No.

3 Q That subject didn't come up in that phone call?

4 A With the exception of -- he may have said that the

5 crew bullied their way across [REDACTED]

6 Q Do you recall him saying that?

7 A Minor recollection, I couldn't, you know, put a

8 great -- I couldn't put the -- Ivory-pure percentage to that.

9 Q Did you receive any more phone calls that evening

10 about the status of the flight?

11 A To the best of my recollection, the next call I

12 received was that the plane has been unloaded, the crew has

13 been brought back from the hotel and they're enroute back [REDACTED]

14 [REDACTED]

15 Q Now, when and where did you receive that phone

16 call?

17 A In my house, probably in my bed, and when would

18 be now Sunday -- Monday morning, our time.

19 Q But you have fairly firm recollection that this

20 is before you go into work on Monday morning?

21 A Yes.

22 Q You got a phone call late in the night; is that right?

23 A Quite frequently.

24 Q That night did you get more than one phone call on

25 this subject?

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1 A I don't know.

2 Q Do you recall there being more than the one phone  
3 call saying that the plane is unloaded?

4 A No, I don't.

5 Q May I see Exhibit 2 for a second, please?

6 A Sure.

7 Q Page 6, of Exhibit 2 says, the aircraft took off  
8 at 17 15 GMT on the 25 November, after 14:35 hours on the  
9 ground in Tehran; is that correct?

10 A Uh-huh.

11 Q And that means it was probably around --

12 A That would be about 12:15 -- is 25 November Monday?

13 Q It would have been---

14 A Yeah---

15 Q Let's go off the record for a second.

16 (Discussion off the record.)

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jm

## EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. CAROME:

Q It appears from Exhibit 2, that the proprietary manager reported that the time of departure from Tehran was about 12:15 Washington time; is that right?

A Correct. This is on Monday, now.

Q That is right.

Now if you could tell me, do you recall getting a phone call early in the morning at home---

A Uh-huh.

Q ---on the status of the flight; is that correct?

A Uh-huh.


Q And this is Monday morning; is that right?

A Yeah.

Q And what do you recall to be the substance of that telephone call?

A As I said previously, as I recalled, it was that the aircraft had been -- had departed. With this report it looks like that was incorrect, that this phone call would have not been received until about noon Washington time, on Monday.

Q Which do you, today, believe to be correct? Your recollection or what this report seems to suggest now that you have had a chance to look at it?

A  being a very precise individual, I will think that his report is correct.

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jm 1 Q But you do recall getting a telephone call that  
2 morning; is that right?

3 A Uh-huh. Now that could have been the arrival of the  
4 airplane late Sunday evening, early Monday morning.

5 Do you have a time when a---

6 Q It is my understanding that it was around 4:00 a.m.  
7 that the unloading of the aircraft in Tehran was complete,  
8 that is 4:00 a.m., Washington time.

9 A Well -- it arrived at Tehran at 2:50 GMT, which  
10 would have been 9:50 local, or 21:50 local Washington time,  
11 on Sunday evening. And by the time he gets to the -- or the  
12 captain is able get an HF call through, or as it appears in  
13 this report, he arrived in the hotel and made the commercial  
14 phone call back to his company, it would have been two or  
15 three hours thereafter.

16 Q All right.

17 I guess what I am trying to pin down is whether  
18 or not you have a recollection of what that telephone call  
19 at home in the morning was about, do you?

20 A At this point, with this refresher, it must have  
21 been the arrival of the airplane.

22 Q Do you recall, on that Monday morning, the subject  
23 of insisting on [REDACTED] plane having a full tank of  
24 fuel before it left Tehran?

25 A No.

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jm

1 Q Do you recall that subject coming up?  
2 A No.  
3 Q Do you recall the subject of where the plane should  
4 go after it leaves Tehran coming up that morning?

5 A No.  
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#5

1 Q As of Sunday morning, what is your understanding  
2 of what the next step is with the moving of the rest of  
3 the cargo to Tehran?

4 A Sunday morning or Monday morning?

5 Q Early Monday morning.

6 A Monday morning.

7 Q You said before that you understood there were  
8 to be probably two more flights to get the rest of the  
9 material to Tehran. Has that understanding changed as  
10 of Monday morning?

11 A Somewhere along the line the understanding that  
12 the airplane was going to return [REDACTED] not Tehran, so  
13 it was something that would be worked later on as to the  
14 approval for the continued flights.

15 Q Were you involved in the decision as to where  
16 the plane would go after leaving Tehran?

17 A Not to my recollection. That was --

18 Q That was actually a fairly major decision. I  
19 mean, you would have been involved in a lot of other  
20 decisions about where these planes were going to go, but  
21 you don't recall being involved in any discussion about  
22 where the plane would go after Tehran?

23 A No.

24 Q You don't recall that?

25 A No, I don't recall it.

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1 Q It's quite possible that that was a -- strike  
2 that.

3 When you arrived at work on Monday morning, did  
4 you speak to anyone at all [REDACTED] or [REDACTED] about  
5 the activities of the weekend?

6 A I recall general gists of the conversation of  
7 [REDACTED] saying that we'd had a busy weekend, that we  
8 had proven the capability of [REDACTED] proprietary in a  
9 non-U.S. Government attributable fashion and that now the  
10 decision had to be made if we were going to continue.

11 Q This is a conversation you and [REDACTED] C  
12 had?

13 A Yes.

14 Q Was anyone else present to this discussion?

15 A No.

16 Q Not [REDACTED]

17 A No.

18 Q And not [REDACTED] DC

19 A No.

20 Q And what time of day is this conversation  
21 taking place?

22 A About 9:00 Monday morning.

23 Q Is that the time you arrived that morning or  
24 had you been there earlier?

25 A No. I get to work about 7:30.


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1 Q And between 7:30 and this 9:00 conversation, did  
2 you do anything with respect to this activity?

3 A I don't recall. We're a year and a half ago, guy,  
4 and what I did between 7:30 and 9:00, I can't give you a  
5 specific recollection at this time. I don't recall calling

6  He normally wouldn't get to work until about  
7 8:30, so if I did anything in respect to this, I don't  
8 recall at this point.

9 Q Of course, during that time frame you've got  
10 you  crew on the ground in Tehran which is a  
11 highly 'unusual --


12 A Yes.

13 Q You'll agree with me on that, right?


14 A It had been done last in August with no problem.

15 Q Do you have a firm recollection that the last  
16 time that had been done was in August?

17 A Yes.

18 Q And you don't recall, in fact, between that one  
19 phone call you received early in the morning and the time  
20 that you talked to  around 9:00, you don't  
21 recall anything coming up on the subject of the flight  
22 in Tehran, is that right?

23 A No, I don't.

24 C Q What was said in this conversation with  
25  around 9:00 on Monday morning about what the

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1 next step would be with the flight; do you recall?

2 A No. I had the understanding that he was going  
3 to go upstairs and have a meeting with his management.

4 Q And did you infer who management was?

5 A [REDACTED] and [REDACTED]

6 Q And you understood that he was going to work out  
7 the next step with those two rather than Mr. Clarridge; is  
8 that right?

9 A Yes.

10 Q Did you see Mr. Clarridge at all on Monday?

11 A No.

12 Q Did you talk to him at all on Monday?

13 Did you mention to [REDACTED] the fact that  
14 two-thirds of the cargo is in Tel Aviv waiting to get to  
15 Tehran at that point?

16 A I don't recall mentioning that.

17 Q Do you know if, as of that time, that is, 9:00 a.m.  
18 something has happened to cause a decision by someone that  
19 the other two flights that had been earlier anticipated  
20 were in fact not going to happen?

21 A I recall in a very sketchy manner that afternoon  
22 the decision being made that nothing is going to proceed  
23 further without further discussion, that we were not to  
24 allow the plane to go back to Tehran. This was almost  
25 immaterial at this time because I believe the plane

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1 landed -- what time did it leave Tehran? Did we finally  
2 determine that?

3 Q I believe we --

4 A Noon Washington time?

5 Q Noon, yes.

6 A So it was headed back [REDACTED] at this time,  
7 as we now know, and that would be at least a six-hour  
8 flight so there's -- it's not going to be back on the ground  
9 till 6:00 in the evening our time, and when you put a  
10 12-hour crew rest in there for the crew to catch some  
11 shut-eye, which they hadn't had much of in the past 48  
12 hours, the press of making the decision wasn't imminent on  
13 us.

14 Q But I gather one other option would have been  
15 to take that plane directly back to Tel Aviv, let the crew  
16 rest there and let the loading proceed there; wasn't that  
17 an option?

18 A But for whatever reason, the proprietary manager  
19 had determined he wanted it to go back [REDACTED] not Tel  
20 Aviv.

21 Q Did the proprietary manager check with anyone  
22 at [REDACTED] about that before doing that?

23 A I don't recall.

24 Q Wasn't that unusual that he wouldn't have checked  
25 on a decision like that?

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1 A No. It may have been a customer requirement, that  
2 he now didn't want to go Tel Aviv [REDACTED] Tehran, [REDACTED]  
3 Tel Aviv [REDACTED] Tehran, that he wanted to put a "wash"  
4 into that.

5 <sup>PO</sup> Q Did you have any more discussions on Monday with  
6 [REDACTED] after you arrived at work?

7 A Most probably, undoubtedly there was some  
8 discussion about "is everything okay, and where's the  
9 airplane going and what time will it be there."

10 Q And in this conversation it's you asking him  
11 where it's going?

12 A Yes.

13 Q You're not providing him any directions in that  
14 phone call as to where the plane should go, is that right?

15 A That's right.

16 Q And do you have any recollection at all as to  
17 about when on Monday that phone call with <sup>PO</sup> [REDACTED] would  
18 have taken place?

19 A Early afternoon.

20 MR. CAROME: Would you mark this as the next  
21 exhibit, please?

(Exhibit No. [REDACTED] 3 was marked  
for identification.)

22  
23  
24 MR. CAROME: Do you want to take a break?

25 THE WITNESS: Let's press on. I -- as long as

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1 no one's going to float eyeballs.

2 BY MR. CAROME:

3 Q [REDACTED] I show you what has been marked as  
4 Exhibit 3. It's a spot report dated at the top 25 November  
5 1985, and I ask you if you recognize that document.

6 A I recall the gist of this document. Whether I've  
7 seen the document or not, I don't know.

8 Q Do you recall seeing it on Monday, November 25,  
9 1985?

10 A No.

11 Q Is it possible that you might have seen it?

12 A Yes.

13 Q You didn't draft that document, did you?

14 A I could have.

15 Q You may have drafted it?

16 A Yes.

17 Q Do you know whether the --

18 A As I recollect, [REDACTED] C drafted this document  
19 and provided it hand-carried to his management. I point  
20 out to you that although the document is dated 25 November  
21 '85 in the upper right-hand corner, it indicates it was  
22 typed on the 29th of November.

23 Q Yes, that intrigues me as well as to why that  
24 is.

25 A I can't comment on why that is. Not that I don't

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1 want to; I don't know.

2 Q [REDACTED] this Exhibit No. 3 in the second line  
3 refers to sensitive cargo having been transported. Do you  
4 know whose phrase "sensitive cargo" is and what that means?

5 A "Sensitive cargo" is not a unique phrase. It  
6 could mean site sensitive or it could mean classified.

7 Q Do you have any idea why sensitive cargo was  
8 used in this document?

9 A No. It could be because it was NSC generated.

10 Q But as of this time you -- again I believe you  
11 said before but correct me if I'm wrong -- you had no  
12 knowledge that what was going on in this flight to Tehran  
13 was connected with an effort to free hostages; is that  
14 right?

15 A That's correct. I was checking my pockets as to  
16 why we would be doing something like this and wondering  
17 myself.

18 Q Did you ask anyone that question?

19 A No.

20 Q Was there just one phone call that you recall with  
21 [REDACTED] PO on the Monday, the 25th, or do you think you  
22 had a series of phone calls with him?

23 A I could well have had a series of phone calls  
24 with him.

25 Q Do you recall any other matters that were

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discussed with him other than the fact that the plane was going to be leaving Tehran?

A As I talked to you earlier on the destination of the plane, the estimated time of arrival of the plane, and when the crew would be at a crew rest.

Q And did you have any discussions with [REDACTED] during Monday the 25th about the status of the remaining cargo?

A Late in the evening after the meeting that I assume you want to talk about next with Mr. Sporkin, I called [REDACTED] and told him that there were not to be any further flights without redirection.

Q Had you given any such direction to [REDACTED] or any inkling that that might be what was happening prior to the meeting that you just referred to?

A When you stop and think about it, [REDACTED] was in the building at that time, so --

Q When did [REDACTED] arrive in Washington?

A Monday, noonish.

Q And why did he come up?

A He was scheduled to come up to discuss proprietary business not related to this.

Q That was a prior schedule?

A Yes.

Q Are you certain of that?

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1 A Am I certain it was a prior schedule?  
2 Q Yes.  
3 A Yes.  
4 Q And when did you first see <sup>PO</sup> [REDACTED] on that  
5 day?  
6 A About noon.  
7 Q And what did you talk to him about when you saw  
8 him? Did it have anything to do with the flight to Tehran?  
9 A Oh, I'm sure that it did.  
10 Q Was he still trying to -- was he still in touch  
11 with <sup>m</sup> [REDACTED] about what was going on?  
12 A Yes. Of course, he had been traveling at that  
13 point [REDACTED]  
14 [REDACTED]  
15 <sup>m</sup> Q Did you at any time on Monday talk to  
16 [REDACTED] yourself?  
17 A Not to my recollection.  
18 Q Did <sup>C</sup> [REDACTED] also see <sup>PO</sup> [REDACTED] on that  
19 Monday?  
20 A Yes.  
21 Q And did he also talk to him about the status  
22 of the flight in Tehran?  
23 A I don't know. I wasn't part of the discussion.  
24 Q The three of you didn't at any point talk  
25 together, is that right?

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1 A No, not to my recollection.

2 Q Are you aware or do you have any knowledge as  
3 to whether or not this document, this spot report, design-  
4 ated Exhibit 3, was shown to Mr. John McMahon sometime  
5 during the day on Monday?

6 A I wouldn't have that knowledge.

7 Q At any time during the day did you hear that  
8 Mr. McMahon had heard of the activities of the weekend  
9 and had, in his words, I believe, hit the overhead?

10 A At about 5:30 Monday evening I was called, being  
11 that [REDACTED] was gone, had gone home, I was called into  
12 [REDACTED] office and [REDACTED] and I were informed  
13 that the DDO had severe reservations about continuing this  
14 activity and that we were to get in our cars and go over to  
15 the OGC's office, Mr. Sporkin, and relate to him the  
16 weekend's activities.

17 Q Okay. I want to get to that point.

18 MR. SCHILLING: Off the record?

19 MR. CAROME: Sure.

20 (Discussion off the record.)

21 MR. CAROME: Back on the record.

22 What I would like to do is see if there is any  
23 additional information I can glean about what happened  
24 during the day on Monday before [REDACTED] asked that you  
25 and [REDACTED] go over and brief Mr. Sporkin.

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12

1 BY MR. CAROME:

2 Q If you refer to Exhibit 3, the last two sentences  
3 say: "The aircraft is still unloading in Tehran and should  
4 depart this morning" -- presumably the morning of November 25,  
5 1985. Then the next sentence says: "More flights are  
6 expected this week."

7 Is it your understanding that during the morning  
8 of Monday that more flights were expected that week involving  
9 the proprietary?

10 A Must be.

11 Q But is that consistent with your recollection of  
12 that morning?

13 A Uh-huh. But again, it was not a pertinent fact,  
14 being that the airplane now we realize was en route [REDACTED]  
15 [REDACTED] with an estimated time of arrival sometime in the late  
16 evening, U.S. time, and the decision on more flights was in  
17 realism basically 24 hours away before it was capable of  
18 making any more flights, so it was not a pressing decision  
19 issue.

20 Q I guess so. The only other option I keep thinking  
21 of is whether or not that flight would have gone straight  
22 back to Tel Aviv.

23 A And, again, that is not a good OPSAT-type  
24 thing to do, that you would look at flying consistently  
25 three flights shuttling between Tehran and Tel Aviv. I'm

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1 not a political geographer, if you will, but my basic  
2 recollection is those two countries don't like each other  
3 too much.

4 Q If someone at the CIA headquarters was upset  
5 early in the morning, in the morning of November 25th, such  
6 as Mr. McMahon, and wanted to quickly put a stop to these  
7 flights, could that have happened other than through someone  
8 talking to you about that? I'm trying to figure out if  
9 Mr. McMahon's anger, reported anger at what had gone on  
10 over the weekend was somehow communicated to [REDACTED]  
11 people so that the operation was put at least on a  
12 temporary standstill. Do you know anything about that?

13 A Yes, any communication of Mr. McMahon's anger  
14 wouldn't have ever gone to the single-issue people.

15 Q But perhaps the result of his anger, namely  
16 stop the operation, could have been communicated to the  
17 [REDACTED] people?

18 A It certainly could have been, but again, that  
19 was not necessary until late Monday afternoon, our time,  
20 or at the very earliest, or early Tuesday morning, even  
21 within work period because the airplane, or the crew was  
22 not available. So if there was an anger, that anger never  
23 reached my level.

24 Now, was there a decision to terminate the  
25 flights early afternoon, I think that was put on hold until

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1 the results of the talk with Mr. Sporkin was determined.

2 Q You don't know about any hold being put on the  
3 flights prior to the talk with Mr. Sporkin?

4 A No, I think the basic hold may have been placed  
5 on that flight prior to talking to Mr. Sporkin.

6 Q But would that have been somehow communicated  
7 to [REDACTED] people? m

8 A It probably was communicated to [REDACTED]  
9 that we don't want to repeat the process.

10 Q And when would that have been communicated to  
11 him?

12 A Monday afternoon, if at all.

13 Q And that would have been before the meeting with  
14 Mr. Sporkin, is that right?

15 A Uh-huh.

16 Q Well, what kind of recollection do you have m  
17 that that kind of information was passed to [REDACTED]?

18 A I don't have any vivid recollection of that  
19 happening.

20 Q Do you have any recollection of it happening  
21 at all?

22 A No, but I wouldn't be surprised if it was.

23 Now, again, you have another player into this  
24 thing and the fact that [REDACTED] to the best of my  
25 recollection, is in the building and he can be communicating

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1 with [REDACTED] and I have no direct knowledge of it. It  
2 was not a military chain of command.

3 Q [REDACTED] I show you what has previously been  
4 marked as Exhibit 2, and direct your attention to the lower  
5 part of page 5 where [REDACTED] is talking about a  
6 telephone conversation he had with [REDACTED] crew in  
7 Tehran and he said: "When the captain asked for full  
8 tanks" -- and then parenthesis -- "(order I had given  
9 him because after all those problems which I was aware of  
10 because the captain had called [REDACTED] via telephone from the  
11 hotel, I wanted the possibility to take the aircraft  
12 directly back [REDACTED] if necessary.)"

13 Doesn't that aspect of [REDACTED] report  
14 suggest that in fact the original plan had been to take  
15 the aircraft not back [REDACTED] but instead back to  
16 Tel Aviv?

17 A It does suggest that, yes.

18 Q Were you aware that that was the original plan?

19 A No. I would have been against that original  
20 plan if we were aware of it.

21 Q Where was [REDACTED] during the time he arrived  
22 and the time you went to [REDACTED] office to get the  
23 instruction about going to see Judge Sporkin?

24 A Within [REDACTED] headquarters  
25 building.

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CAS-1 1 Q So he was down in the room where you all are?  
follows 2 A Uh-huh.  
EMM 3 Q And do you know whether or not at any time during  
4 that day he spoke to Mr. Clarridge?  
5 A No, I don't.  
6 Q You didn't see him meet Mr. Clarridge?  
7 A No, I didn't.  
8 Q Do you know if at any time during the day he met  
9 with [REDACTED]  
10 A No, I don't.  
11 Q But you do know that he did meet with [REDACTED] C  
12 during the day?  
13 A I would be highly surprised if he didn't.  
14 Q Did you see the two meeting at all?  
15 A I don't recollect it. [REDACTED] PO was in there,  
16 in the room, and [REDACTED] was in his corner, which is  
17 separated and does have a door, I wouldn't -- I would find it  
18 highly unlikely that [REDACTED] PO and [REDACTED] C didn't meet  
19 with each other.  
20 Q All right. Did you and [REDACTED] PO discuss other  
21 proprietary matters --  
22 A Oh, I am sure we did.  
23 Q -- during that day?  
24 A Yes. I am sure we did. What they are, I don't  
25 know.

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CAS-2 1 Q How much time do you think you spent with [REDACTED] PO  
2 on that Monday?  
3 A I have no way of even estimating.  
4 Q Well, he arrived at noon and you were off to see  
5 Mr. Sporkin at five. How much of those five hours do you  
6 think you spent with [REDACTED] PO  
7 A Anywhere from 15 minutes to two hours, I don't know.  
8 Q Do you recollect having any discussion with him  
9 about putting a hold on further flights? This is with  
10 [REDACTED] PO  
11 A No direct recollection of that until after the  
12 Sporkin meeting, I called him at his hotel, said [REDACTED] PO  
13 we are not going to do anymore until you get further  
14 guidance.  
15 Q Why don't we go then to the meeting with Mr. --  
16 actually, the first -- in [REDACTED] office. There comes a  
17 time on Monday and you are called in to speak with [REDACTED]  
18 is that right?  
19 A Uh-huh.  
20 Q Who called you in, do you recall?  
21 A [REDACTED]  
22 Q And is he down [REDACTED] there, too?  
23 A No. At that time he was on the third floor.  
24 Opposite end of the building.  
25 Q Did you go up by yourself to his office?

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CAS-3

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A Yes.

Q Who else was there when you got there?

A [REDACTED]

Q And was it just the three of you who met, or was there anyone else who later came in or anyone else who attended?

A I don't recall anyone else.

Q About what time of day was this?

A Five-thirty.

Q What did [REDACTED] say?

A The meeting was fairly short and sweet, and the fact that DDO had directed [REDACTED] and I to go over and discuss the weekend's activity with the Office of General Counsel, could we go immediately. The answer, of course, was yes.

Q Did [REDACTED] comment at all on the weekend's activities?

A I don't recall any direct comment. In the back of my mind is something saying that the implications were that DDO wasn't very happy.

Q Did [REDACTED] himself seem to be unhappy?

A No.

Q But the implication was that DDO was unhappy?

A That is right.

Q Was Mr. McMahon's name involved during that meeting

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CAS-4 1 at all?

2 A I don't know whether McMahon's name or the DDO was  
3 used. They are synonymous.

4 Q Just one other point before that meeting. This time  
5 when you are getting a chance to talk face-to-face with

6 <sup>PO</sup> [REDACTED] for the first time about this operation, it is the  
7 first time you haven't had to worry about secure phone calls --

8 A Uh-huh.

9 Q It would seem that would have been a chance  
10 where you could have sort of discussed more freely what had  
11 happened over the weekend. Do you recall that type of  
12 conversation happening?

13 A Oh, I am sure we did. As to what directly resulted  
14 from that, I can't elaborate on at this time. I don't have  
15 any recollection. You have to remember that even though  
16 I was now face-to-face with <sup>PO</sup> [REDACTED] that isn't the end of  
17 this communication process that was done in an unsecure  
18 mode. So what <sup>PO</sup> [REDACTED] knew at that time probably wasn't a  
19 great deal other than what had been communicated in a non-  
20 secure mode.

21 Q Do you recall whether he asked at that point what the  
22 cargo had been?

23 A No, he didn't.

24 Q You sure he didn't ask that?

25 A Ivory- pure percentage, yeah

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CAS-5 1 Q How frequently does [REDACTED] visit the  
2 --  
3 A At that point, about [REDACTED]  
4 Q What is your working relationship with [REDACTED]  
5 A At that time?  
6 Q At that time, yes.  
7 A Well, he was my boss' boss.  
8 Q Do you have much direct contact with him in your  
9 day-to-day work?  
10 A Not other than an accompaniment with the boss or  
11 in the boss' absence.  
12 Q And do you know why it was that [REDACTED] was  
13 selected as one of the people to go and speak to --  
14 A No, I don't.  
15 Q -- Mr. Sporkin?  
16 A No, I don't.  
17 Q It seems a little strange in some ways since  
18 from what I gather from what you are saying he didn't really  
19 have involvement in the weekend's activities; is that right?  
20 Not that it is strange --  
21 A I didn't say he didn't have any involvement. I  
22 said to my knowledge he didn't have any involvement. Now  
23 why his boss determines to send myself in [REDACTED]  
24 place, being that [REDACTED] had gone home, and [REDACTED]  
25 in his place, I can't comment on that. I don't know.

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CAS-6 1 Q Was it your understanding that someone had --  
2 strike that.

3 Someone must have contacted [REDACTED] before  
4 he called you in to get the message across that you  
5 had to go speak to Mr. Sporkin; isn't that right?

6 A At the direction of DDO, according to [REDACTED] we  
7 were to proceed --

8 Q Do you have any indication as to when it was the  
9 DDO spoke to [REDACTED] about the need for you to talk to  
10 Mr. Sporkin?

11 A I don't. I wouldn't assume he would wait until  
12 5:30 to tell us. It could have been done at noon.

13 Q It is the kind of thing that would be communicated  
14 right away; is that right?

15 A Yeah.

16 Q And as I understand, you and [REDACTED] then  
17 proceeded to drive separately over to [REDACTED]  
18 where Mr. Sporkin's office is; is that right?

19 A I am having a little trouble determining whether it  
20 was separately or together, but I believe he took me to my  
21 vehicle in the parking lot, and that we drove two vehicles  
22 over.

23 Q When you say "he", you mean [REDACTED]

24 A Yes.

25 Q You mentioned before that [REDACTED] had left for

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CAS-7 1 the day. Do you know when he left for the day?

2 A No.

3 Q Was he gone by the time you went up to speak to

4 [REDACTED]

5 A Definitely, or I wouldn't have been there.

6 Q About what time do you recall arriving at

7 Mr. Sporkin's office?

8 A Six to 6:30.

9 Q Who else was present at Mr. Sporkin's office?

10 A There were two other people to the best of --  
11 besides [REDACTED] -- to the best of my knowledge, one of  
12 them I understood to be Mr. Sporkin's deputy or assistant,  
13 and the other one, I don't remember who that was.

14 Q So you recall a total of five people at that meeting?

15 A Uh-huh.

16 Q Mr. Sporkin, Mr. Sporkin's deputy, yourself,

17 [REDACTED] and a person whose identity you don't know;  
18 is that right?

19 A Yes.

20 Q Did you understand that that fifth person, whose  
21 identity we don't know, was an attorney?

22 A Since we were at OGC, I think I assumed, and as I  
23 described to you earlier, it was a crowd of lawyers.

24 Q Was it a man or a woman, this fifth person?

25 A I don't know.

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CAS-8

1

Q Could it have been a woman?

2

A If I don't know, how can I answer that?

3

Q All right. That is fair.

4

Is your recollection fairly firm that there was five people rather than four?

6

A I know there were four. I think there was a fifth. Everyone has a badge around their neck, that is fine with me, and we will proceed on.

9

Q What transpired at that meeting, as best you can recall?

10

11

A A basic description of the weekend's events, very few questions. [REDACTED] asked Mr. Sporkin as to what his reading on it was. A basic, I can't tell you that, I'll tell you DDO that, but you shouldn't proceed any further.

12

13

14

15

Q That was Mr. Sporkin's directive?

16

A Uh-huh.

17

Q Yes?

18

A Yes, okay.

19

I went home.

20

Q You went home after the meeting?

21

A Uh-huh.

22

Q About how long did the meeting take?

23

A Thirty, forty-five minutes.

24

Q What did you understand the purpose of the meeting to be?

25

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CAS-9 1 A For me to relate to [REDACTED] and I to relate the  
2 weekend's activities, for him to do whatever he needed to do  
3 with DDO.

4 Q Who did most of the talking as between you and  
5 [REDACTED]

6 A [REDACTED]

7 Q Did he seem to have a fairly good grip on what had  
8 transpired over the weekend?

9 A On the basics of it, yes.

10 Q And do you know how he came to know that information?

11 A No.

12 Q What was said by either you or [REDACTED] about  
13 the nature -- strike that.

end 5

14 Basically, what you described to the lawyers was that  
15 the proprietary had handled the flight of cargo of some  
16 sort from Tel Aviv to Tehran; is that right?

17

18

19

20

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137

1 A Uh-huh.

2 Q And did you explain that it was the first  
3 of a series of flights to move a total amount of cargo?

4 A I think the explanation was that we had moved  
5 approximately a third of the cargo and stand ready to do  
6 the rest upon concurrent approval.

7 Q And at that point, where was it that you felt  
8 additional approval needed to come from? Do you know?

9 A As I stated earlier, I recollect being told  
10 that we were not going to proceed further without more  
11 approval, and that that was going to be requisite on this  
12 meeting with Judge Sporkin.

13 Q And just to go back a little bit, who was it  
14 that you recollect having told you earlier that you  
15 shouldn't do anything more without further approval?

16 A  C

17 Q  C

18 A Yes.

19 Q Back to the meeting with Mr. Sporkin. What,  
20 if anything, was said at that meeting about the nature of  
21 the cargo?

22 A Nothing.

23 Q Was there any question asked about what was  
24 the cargo?

25 A Yes, I think the question was asked why did it

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1 take so long to load it. The response was the same as for  
2 the previous one given about the weight.

3 Q But you recall nothing being said at that  
4 meeting with Mr. Sporkin by either you or [REDACTED]  
5 about the nature of the cargo beyond its weight and  
6 dimensions? Is that right?

7 A That's right.

8 Q Is that a firm recollection?

9 A Yes.

10 Q Was there any mention that it might have been  
11 oil-drilling equipment?

12 A I don't believe so.

13 Q Was the possibility that it might be military  
14 equipment alluded to or mentioned or questioned?

15 A No.

16 Q Did anyone say anything about whether or not  
17 a covert action finding would be necessary during that  
18 meeting?

19 A Not to my recollection.

20 Q Were there any questions about why the  
21 proprietary would have taken anything at all to Tehran?

22 A There most probably was answered "NSC  
23 direction."

24 Q You believe that the NSC role was mentioned  
25 during that briefing?

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1 A Yes.

2 Q Is that a fairly firm recollection?

3 A Yes.

4 Q Was Mr. Clarridge's role mentioned during the  
5 meeting?

6 A No. C

7 Q Was [REDACTED] role mentioned?

8 A Yes. C

9 Q And what was said about [REDACTED] role?

10 A As he being the person that I was primarily  
11 in contact with over the weekend, other than -- not  
12 primarily, that I was in contact with over the weekend.

13 Q Was it related that there had been ADDO  
14 approval --

15 A Yes.

16 Q -- for the flight?

17 A Yes.

18 Q Was it mentioned that -- probably at that time

19 [REDACTED] flight was still in the air enroute back [REDACTED]  
20 [REDACTED]

21 A No.

22 Q You don't recall that coming up?

23 A No.

24 Q Do you have a firm recollection it did not come  
25 up?

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1 A No.

2 Q Did the question of problems of flight  
3 clearances [REDACTED] or elsewhere come up at that  
4 meeting?

5 A I believe so. That was mentioned as a  
6 problem with the flights.

7 Q What was said on that subject?

8 A That a mistake had been made by the customer  
9 demanding [REDACTED] be the tech stop, and this had  
10 resulted in an overflight problem [REDACTED]

11 Q Was the matter of the pilot having to filibuster  
12 his way [REDACTED] discussed at the meeting?

13 A May have been. I don't think we had a  
14 knowledge of that at that time. But it, again, is not a  
15 surprising matter.

16 Q Do you recall any of the lawyers exhibiting any  
17 curiosity at all as to the nature of the cargo?

18 A No.

19 Q Were they surprised that you didn't know what  
20 it was?

21 A No.

22 Q Did they want to find out what it was?

23 A I don't know.

24 Q They didn't say, "Please find out what it was  
25 for me?"

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1 A No.

2 Q Was there any mention at the meeting by anyone  
3 that CIA offices had been involved over the weekend in  
4 trying to get flight clearance assistance?

5 A No.

6 Q To the extent that flight clearance problems or  
7 flight clearances were discussed at all, it was limited  
8 to --

9 A What problems -- tell us what happened.

10 Q And you didn't know that efforts had been being  
11 made [REDACTED] and through [REDACTED]  
12 to try to get flight clearances. You were not aware of  
13 that at the time; is that right?

14 A I was aware of it at the time that efforts had  
15 been underway with no [REDACTED] but  
16 through some channels [REDACTED] of getting overflight  
17 clearances through my contact with [REDACTED] when we'd  
18 ask him for help. He indicated that he would try to help.

19 Now, what those were directly, I have no knowledge  
20 at this point.

21 Q Did you have any knowledge that there had been  
22 CIA assistance in efforts to try to get flight clearances

23 [REDACTED]

24 A No.

25 Q -- over the weekend? You had no knowledge of

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1 that?

2 A I don't to this day.

3 Q I'm sorry to jump back but --

4 A Sure.

5 Q Do you recall when it was that you had the  
6 conversation with <sup>C</sup> [REDACTED] in which he indicated that  
7 efforts were being made elsewhere in CIA to get assistance  
8 on flight clearances [REDACTED]

9 A Monday. During the day sometime.

10 Q That would have been after -- so he would have  
11 been telling you that after the fact; is that right?

12 A Yes.

13 Q You didn't know about that at the time; is that  
14 what you're saying?

15 A I don't believe so. We're into a very fuzzy  
16 area, again, several months ago.

17 Q Was the subject of hostages or hostage release  
18 mentioned at all during this briefing?

19 A No.

20 Q Did the lawyers seem troubled by what you were  
21 telling them?

22 A Not knowing the individuals, I can't comment on  
23 that. I don't know.

24 Q And the meeting ended with Mr. Sporkin stating that  
25 no further flights would take place without further approval;

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1 is that correct?

2 A To the best of my recollection, yeah.

3 Q And it was also made clear that, at least  
4 according to the original plan, at least two additional  
5 flights would need to take place if all the cargo were  
6 to get to Tehran; is that right?

7 Was that made clear to the lawyers?

8 A Again, what was made clear to the lawyers as  
9 we understood it, approximately a third of the cargo moved.  
10 If we were going to proceed with 707s, it would take two  
11 more flights. That may have come up.

12 Q Let me just say -- and I am stating it for the  
13 record and I'm not drawing any conclusions -- it is the  
14 firm recollection of at least one of the lawyers who  
15 attended that briefing, Ed Dietel, who actually was deposed  
16 earlier today, and stated under oath that he firmly recalled  
17 that weapons and missiles and the movement of missiles  
18 were brought to his attention by the two people that briefed  
19 him that evening.

20 So this is a matter that we're trying to resolve  
21 and it's frustrating for us.

22 A I understand.

23 Q Can you give me any reason as to why there is  
24 a discrepancy on that point?

25 A Other than if he had knowledge prior to us getting

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1 that. It is my firm recollection that the nature of the  
2 cargo, other than size, was not discussed. I was curious  
3 and, as I discussed earlier with you, to this date, I find  
4 nothing other than The Washington Post that says there  
5 were missiles.

6 (Exhibit Number [REDACTED] was marked for  
7 identification.)

8 BY MR. CAROME:

9 Q [REDACTED] I show you what has been marked as  
10 Exhibit Number 4. It appears to be a cable from [REDACTED]  
11 [REDACTED] to, I believe it's to --  
12 calling for action by Mr. Clarridge. It is dated the 25th  
13 of November, 1985, [REDACTED] zulu time, which would place it  
14 somewhere around [REDACTED] on Monday -- that Monday  
15 morning.

16 Have you ever seen this cable before?

17 A No.

18 Q I notice that up at the top, it says -- there's  
19 a line -- the third line of the cable says, "ADV." Do you  
20 know what that stands for?

21 A Advance.

22 Q Notified c/u -- Europe -- I guess that means  
23 Clarridge. What does that mean?

24 A There would be a, what's called a soft copy of  
25 this cable that comes in to wherever this comes in and this

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1 was not a normal staff cable.

2 That would be -- that's produced by the  
3 computer prior to this hard copy for distribution coming  
4 out. You notice also it's an "Eyes Only" cable.

5 Q And the next -- after the comma, it says,  
6 ~~C~~ Is that ~~C~~ we've been talking  
7 about or is that someone else?

8 A I don't know. It's not spelled correctly if it's  
9 the same person that we're talking about.

10 Q What does the -- does this suggest that the  
11 same treatment of the cable -- the same early version went  
12 to both Clarridge and to this ~~C~~

13 Is that what this entry at the top indicates?

14 A Uh-huh.

15 Q Yes?

16 A Yes. At least the notification. Again, you're  
17 looking at what, ~~C~~ in the morning, and probably  
18 the duty officer notified those individuals at that time  
19 that there was a flash cable.

20 Q Now, the last line and a half of the second  
21 paragraph says, "The pilot told ground control that he was  
22 carrying military equipment." Is that --it's the aspect of  
23 this cable that piques my interest.

24 A. Uh-huh.

25 Q Is it your firm recollection that on that Monday,

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1 you did not see this cable?

2 A More than firm recollection; this is the first  
3 time I've seen this cable. In fact, I'm not cleared to  
4 see that cable. It's an "Eyes Only" cable.

5 Q I will -- here's a return cable [REDACTED] from  
6 headquarters which the third paragraph I will just read  
7 into the record. (Exhibit [REDACTED] 5 marked for identification.)

8 It states, "Equipment on board is, indeed, spares  
9 for the oil industry, but that is not to say that it may  
10 not also have some specialized medical equipment or supplies  
11 mixed in with it. I simply cannot understand why the  
12 pilot told ground control that he was carrying military  
13 equipment or perhaps that is what he thought he was  
14 transporting."

15 Do you have any recollection on that Monday  
16 of a message being sent to [REDACTED] on the  
17 subject that I just read?

18 A No. What time is the time of transmission?

19 Q Just -- I'm glad that you brought that up. For  
20 the record, this is a cable -- it has a CIIN number  
21 2184/a and it's dated at the top as December 25, 1985, and the  
22 time is [REDACTED]

23 I don't believe I will use this further. The witness  
24 has no recollection. Actually, I was concerned that I might  
25 not want to show it to him since he was concerned that he

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1 had seen the other.

2 A "Eyes Only" cables are that within [REDACTED]  
3 whether they've been downgraded or not.

4 Q Just out of -- strike that.

5 Could you tell me how, within [REDACTED]  
6 an "Eyes Only" cable would be treated?

7 A It would be treated to the -- and only to the  
8 distribution and attention of the people who are allowed  
9 to receive that cable.

10 Q And would you conclude, based on the information  
11 at the top of Exhibit 4 -- strike that.

12 What happened after the meeting in Mr. Sporkin's  
13 office? I take it that both you and [REDACTED] then  
14 left; is that right?

15 A We definitely left. Where he went, I don't  
16 know. I went home. I called [REDACTED] <sup>PO</sup> at his motel  
17 room, still in Washington, D.C., and told that under no  
18 circumstances was the airplane to proceed on another  
19 sortie without direction from [REDACTED]

20 Q About what time, if you can recall, did you make  
21 that call to [REDACTED] <sup>PO</sup>

22 A Eight o'clock, nine o'clock.

23 Q And did you make that call from home?

24 A Yes.

25 Q Did anything happen further that night on the

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1 subject of the Iran flight?

2 A Not that I can remember.

3 Q Do you recall talking any further with  
4 <sup>PO</sup> [REDACTED] after that one phone call?

5 A No. I don't know when he went home, whether it  
6 was Tuesday morning. Somewhere along the line, we had  
7 to firmly close the case with him and tell him that  
8 positively we wouldn't be doing this again.

9 Q And do you know when that firm closing took  
10 place?

11 A Sometime Tuesday.

12 Q Sometime Tuesday, November 25th?

13 A Yes.

14 Q In that call at around 8:00 on Monday evening,  
15 was anything else said by either you or <sup>PO</sup> [REDACTED]?

16 A I don't recall anything else said.

17 Q What happened when you -- what was the next  
18 thing that happened on this subject?

19 A I think you'll have to --

20 Q Well, you arrived at work on Tuesday morning; is  
21 that right?

22 A I think so.

23 Q And on Tuesday morning, was anything said about  
24 further action on the Iran --

25 A Somewhere in that time frame, it came -- the fact

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1 that we're not going to be doing anymore and that's a  
2 DDO directive.

3 Q Who communicated that to you?

4 A To the best of my knowledge, [REDACTED] C

5 Q And do you recall about what time that was  
6 communicated to you?

7 A No, I don't.

8 Q But it was definitely Tuesday morning?

9 A It was sometime in that time frame. It --

10 Q When you say sometime in that time frame --

11 A Tuesday, Wednesday, Thursday. I don't know  
12 when it was.

13 Q A few days might have passed; is that right?

14 A Yes, but I doubt it seriously. If we were to  
15 bet next month's salary, we'd bet on Tuesday.

16 Q All right.

17 Q Do you understand who [REDACTED] C received  
18 that directive from?

19 A I understand it was from [REDACTED] possibly  
20 through [REDACTED] but I had nothing to substantiate  
21 that. That would be the normal chain.

22 Q Was anything else said to you by [REDACTED] C  
23 about the activity?

24 A No.

25 Q It was certainly unusual for you to have been

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1 called over to the lawyer's offices to discuss --

2 A Oh, yes.

3 Q But you don't recall sort of just having a  
4 general discussion with anyone else about the event?

5 A No.

6 (Exhibit Number [REDACTED] 6 was marked for  
7 identification.)

8 BY MR. CAROME:

9 Q [REDACTED] I show you what's been marked as  
10 Exhibit 6 and ask you if you recognize what that is.

11 A It appears to be another memorandum.

12 m Q Does it appear to be a memorandum prepared by  
13 [REDACTED]

14 A Yes.

15 Q And do you know when you would have first seen  
16 this?

17 A It appears to be dated November 3<sup>0</sup>, '85, so it  
18 was probably brought up by [REDACTED] in his next visit  
19 up where he brought the previous two exhibits that we've  
20 addressed as memorandums from [REDACTED]

21 Q And can you place a date on that next trip up  
22 by [REDACTED]

23 A A week or two after the 25th of November.

24 Q That would have been more frequent than his  
25 usual monthly visit; is that right?

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1 A Uh-huh, I said approximately once a month,  
2 I believe, when we were looking at that time frame.

3 Q And now this is a meeting coming up just a  
4 week or so later; is that correct?

5 A Uh-huh.

6 Q Do you know why that was?

7 A No.

8 Q Was that prompted at all by this Iran activity?

9 A Could be. As you can read from [REDACTED]  
10 original -- or previous memo -- he wasn't very happy  
11 about the amateurish ways things had been done and he  
12 was probably prompting [REDACTED] to come up and relate  
13 these sort of concerns that cover for the proprietary.

14 Q The second paragraph of what's been marked  
15 as Exhibit 6 says, "After the first flight when I had  
16 [REDACTED] and Schwimmer called me on Tuesday in my  
17 office [REDACTED] I told him that the money had not  
18 arrived yet as promised and that before we discuss it  
19 further, we needed our money."

20 I have two questions. It says "before we  
21 discuss it further." Do you know what that refers to?  
22 What is the "it" that is being discussed further?

23 A Payment, I would assume.

24 Q Not further flights?

25 A I've answered your question. Payment, I

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1 assume. It could be further flights.

2 Q Were you aware of these discussions going on  
3 relating to payment after the first flight had gotten  
4 back [REDACTED]

5 A Not at that point, no. Later on, I became --  
6 whenever this was brought up or discussed by [REDACTED] PO  
7 that there was a problem in payment and it came down to  
8 something like a \$700 discrepancy that I was kind of  
9 wondering why we were worrying about the \$700 at that  
10 point.

11 Q Ultimately there was an additional payment of  
12 \$700; is that right?

13 A Somewhere in that general category of expense.

14 Q I ask you to take a look again at Exhibit 2.  
15 Do you know who asked that this report by [REDACTED] m  
16 be prepared?

17 A No, I don't. I would offer to you that  
18 it probably didn't have to be asked to be prepared.  
19 m

20 [REDACTED]  
21 vented his frustration over the whole operation.

22 Q I show you what's been marked as Exhibit 1,  
23 which I think we agreed before was, in all likelihood,  
24 [REDACTED] PO handwritten notes. Do you know when you  
25 received these?

A I had not seen these until you handed them to

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1 me.

2 Q The middle of the front page -- there's a  
3 reference to [REDACTED] A/C. What does that -- I understand the  
4 A/C probably stands for aircraft. What does [REDACTED] stand  
5 for?

6 A The [REDACTED] aircraft that's  
7 [REDACTED] That's the registration.

8 Q Can you shed any light on what the last line  
9 on page 1 of this Exhibit 1 says or means?

10 A I can't make it out. He writes worse than I  
11 do.

12 Q Okay.

13 On page 2, about in the middle, there is a  
14 reference "Dewey." I assume that's Dewey Clarridge; is  
15 that right?

16 A I can't relate; I didn't write the document.

17 Q Do you know whether or not at any point, you  
18 told [REDACTED] that one of the people in the link on this  
19 matter was Mr. Clarridge?

20 A No, I don't know that I did that.

21 Q You don't recall one way or the other; is that  
22 right?

23 A No.

24 Q If you could turn to the third page and there's  
25 an entry that says "1900 22 November watched CBS report,"

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1 and then it's blacked out. Then it says, "Called [REDACTED] He  
2 said seen and was standing by for instructions."

3 Do you have any idea what that might refer  
4 to?

5 A No.

6 Q Okay.

7 A I'm not being evasive with you; I just don't  
8 know.

9 Q I understand. I understand.  
10 The last page of that exhibit --

11 A It gets worse, doesn't it?

12 Q It sure does.

13 Towards the bottom, after the broken squiggly  
14 line, it seems to say, "On ground, [REDACTED] no cargo doc,"  
15 maybe that means no manifest --

16 A No document.

17 Q Do you know what the next line down from that  
18 says?

19 A No.

20 Q It might say, and I don't know whether it does,  
21 the second word seems to be "North," the first might be  
22 "MR." It might also be "NR." You don't know what that  
23 refers to?

24 A No.

25 Q And as far as you know, is Mr. North's name

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1 ever come up at any time over that weekend?

2 A No.

3 Q I show you what has been marked as Exhibit 2  
4 and on page 5, the first full sentence says, and I believe  
5 this is someone on the ground in Tehran saying this: He  
6 then mentioned that "they," I take it the Iranians, were  
7 expecting four more flights from Tel Aviv. Do you have  
8 any recollection of having it reported to you in the  
9 November time frame that this conversation took place  
10 on the ground at Tehran?

11 A No.

12 Q Do you have an unredacted copy of this  
13 document in your papers? There's one question that I  
14 might be able to answer just by looking at that.

15 A Why don't you ask the question.

16 Q Well, if you look at page 6 of this document,  
17 first of all -- I actually have two questions on page 6.  
18 The second sentence on page 6 says "The aircraft was  
19 directed by radar off the airways a little more to the  
20 north than normally, close to the Russian border."

21 A Uh-huh.

22 Q Why is it that [REDACTED] <sup>in</sup> would be in a  
23 position to know what is the normal route out of Tehran?  
24 Do you know?

25 A Well, he seen it was off airways. Aircraft

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1 normally fly on airways which are just like highways in  
2 the sky. In this particular case, he seen that they were  
3 directed off the airways.

4 Q And one wouldn't have to have flown into Tehran  
5 frequently to know what the normal route --

6 A No, it's published.

7 Q All right, that answers my question.

8 The second to last sentence here at the top  
9 says -- actually this is a somewhat different version than  
10 the one I'm looking at, but based on all this information,  
11 I ordered the captain via radio to proceed directly [REDACTED]  
12 [REDACTED] and not to land [REDACTED] which we had planned  
13 initially."

14 What do you know about the initial plan to land  
15 [REDACTED]

16 A No knowledge other than the aircraft was to  
17 return [REDACTED]

18 Q And how did you know the plane was to return  
19 [REDACTED]

20 A That's what I understood that the proprietary  
21 manager had instructed his crew.

22 Q I'm wondering if the flight [REDACTED] was  
23 part of the original plan which would have been to get the  
24 plane back to Tel Aviv for another flight? Does that  
25 seem correct?

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1           A     Someplace other than [REDACTED] obviously.  
2     Because we don't want to repeat that fiasco, nor do you  
3     want to start the chain of events.

4           Q     This sentence suggests that it wasn't, then,  
5     until the flight was airborne out of Tel Aviv that the  
6     decision was made not to proceed with the additional  
7     flights; does that seem correct to you?

8           A     I have no -- no knowledge. Again, it was almost  
9     a moot point, being that they had crew rest to go through  
10    before they could even think about doing this again.

11          Q     On paragraph 3, towards the bottom of page 6  
12    of that document, it says, "In Tel Aviv, the aircraft was  
13    on the military side and loaded by high-ranking military  
14    personnel who were not accustomed to this type of work."

15                Does that change your recollection at all as  
16    to whether or not you learned over that weekend in  
17    November that it was military people who were handling  
18    the loading in Tel Aviv?

19          A     No, it doesn't.

20          Q     Your recollection is still that you didn't  
21    know that; is that right?

22          A     I didn't know. That's right.

23          Q     If you could turn to the last page of this  
24    memorandum, this is where [REDACTED] is giving his  
25    idea of how the world should work.

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1           There's a sentence about a third of the way down  
2           that says, "However, it cannot get worse than it was during  
3           this last mission and it could have been performed totally  
4           clandestine had above proposed meeting taken place in  
5           advance."

6           This seems to suggest that there was something  
7           that was not totally clandestine about the way this  
8           flight had worked. Do you know what it is that

9           **m** [REDACTED] might be referring to?

10          A     Well, considering directions of the customer  
11          to proceed through Tel Aviv and direct contraventions  
12          in normal aviation policies overflight **m** [REDACTED]  
13          probably didn't consider that a professional way to do  
14          the flight that was not supposed to draw attention.

15               (Exhibit Number [REDACTED]-7 was marked for  
16               identification.)

17          THE WITNESS. Are we going to finish this by  
18          7:30?

19          MR. CAROME. I'm not sure.

20          THE WITNESS. Are we going to try?

21          MR. CAROME. I'm trying.

22          THE WITNESS. Okay.

23          BY MR. CAROME:

24          Q     [REDACTED] I show you what's been marked as  
25          Exhibit Number 7, and I ask if you recognize that document?

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1           A     Yes, I have a copy with me. It appears to be a  
2     billing document.

3           Q     Can you tell me what the entries on it mean?

4           A     I'm not an accountant, but it appears that a  
5     total of \$127,000 on this particular ledger was put into  
6     the account from Lake Resources on the 29th of November.

7           Q     Is this a document that would have been forwarded  
8     to you in the November, December '85 time frame?

9           A     No. This is held [REDACTED] in their accounting  
10    procedures tracking the money.

11          Q     Did you know what Lake Resources was in the  
12    November-December 1985 time frame?

13          A     No. Did I know of the existence of Lake  
14    Resources in November-December '85 time frame, no.

15          Q     I'd like to return -- turn to the subject of any  
16    previous flights --

17          A     Uh-huh.

18          Q     -- by [REDACTED] into Tehran. You said before  
19    it was your recollection that there had been one. I think --  
20    I think I have documents suggesting that there were two, and  
21    I'd like to see if you could help me with those.

22          A     You bet. Let's substantiate an August of '85  
23    flight.

24          Q     Pardon?

25          A     Let's substantiate as having happened an August

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1 of '85 flight.

2 Q That's the flight you recall; is that right,  
3 an August of '85 flight?

4 A [REDACTED]  
5 to Tehran with 30 tons of smokeless powder.

6 Q And I believe you told me before that was actually  
7 from [REDACTED]

8 A That's right, [REDACTED]

9 Q To Tehran. Is that correct?

10 A Yes.

11 (Exhibit Number [REDACTED] 8 was marked for  
12 identification.)

13 BY MR. CAROME:

14 Q [REDACTED] I show you what's been marked as  
15 Exhibit 8. It's a -- actually it may be one that you have  
16 here in your folder. I think it is.

tape 7  
fls

17

18

19

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It starts  
tape 7

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1 And one we looked at before. And I draw your attention  
2 at this point to the paragraph 4, which says, "Tehran  
3 Situation." Again, this is November 21st, 1985, and it  
4 says, "A flight was made from [REDACTED] to Tehran  
5 with Boeing 707 on the 14 November 1985 [REDACTED]  
6 [REDACTED] The aircraft was there escorted by  
7 Iranian fighters until it reached Tehran. There is one  
8 more flight coming in December from [REDACTED]  
9 [REDACTED] which we are negotiating presently. Three more  
10 flights are planned beginning '86 to go from [REDACTED] - I guess  
11 that's [REDACTED] We will be informed about  
12 those."

13 A Uh-huh.

14 Q Do you know what all of that refers to?

15 A Yes.

16 Q First, let me ask you, this appears to be a  
17 memorandum prepared by [REDACTED] is that right?

18 A Uh-huh.

19 Q And it's probably something that he provided  
20 to [REDACTED] is that right?

21 A Yes.

22 Q And it's probably something that [REDACTED]  
23 ultimately provided to you; is that right?

24 A At least to the Chief [REDACTED]

25 Q All right.


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1                   What is it that you know about this paragraph  
2                   4 here?




3                   A     If you look at paragraph 4 in conjunction with  
4                   paragraph 5 on the next page, you'll see that this  
5                   commercial concern bids on some and is offered various  
6                   flights.

7   
8  
9  
10                   And this is just reporting on flights that have  
11                   been offered to them, possibly bid by them, but not  
12                   accomplished.


13                   Paragraph 5 is a very similar thing to paragraph  
14                   4, talking about a flight from  to -- and from  
15                    to Tel Aviv.

16                   Q     And --

17                   A     Those flights were not accomplished.

18                   Q     I notice that the first sentence of this  
19                   paragraph, where it says, "A flight was made from   
20                    to Tehran with Boeing 707s on the 14 November  
21                   '85, 

22                   That seems to suggest that a flight had taken  
23                   place.

24                   A     A flight was made most probably, not necessarily  
25                   by  proprietary, but by one of his competitors.

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1 And he's reporting on that competitor's activities.

2 Q Are you certain that this is not a flight by  
3 a 707 of [REDACTED] being referred to here?

4 MR. CAROME. Off the record.

5 (Discussion off the record.)

6 MR. CAROME. Back on the record.

7 BY MR. CAROME:

8 Q My question is whether this November 14th, 1985,  
9 flight referred to in Exhibit 8 is a flight that was  
10 carried out by [REDACTED]

11 A To the best of my knowledge, it could not have  
12 been, based on the following construction. Based on the  
13 memorandum from the proprietary manager on November 18th,  
14 1985, he relates that the Boeing aircraft, [REDACTED] which is  
15 the [REDACTED]-registered 707, was painted during the last  
16 few days and again, we're a few days from 18 November.

17 Additionally, I'm looking <sup>at</sup> a voucher dated 15  
18 November, which pays for freight charges for transport of  
19 paint for 707 [REDACTED] and an invoice [REDACTED] that I have  
20 been told debits request payment for painting of the  
21 aircraft.

22 My proprietary manager has informed me that that  
23 airplane was in the hangar for paint on the date specified  
24 as 14 November of this flight.

25 Q And you conclude that the only 707 [REDACTED]

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1 could have taken into Tehran is the [REDACTED]-registered  
2 flight; is that right?

3 A Yes.

4 Q Is --

5 A Or we wouldn't have been so hesitant --

6 <sup>m</sup> [REDACTED] wouldn't have been hesitant to fly the  
7 U.S.-registered airplane into there approximately nine  
8 days later.

9 Q Do you know whether [REDACTED] is a city in  
10 Iran?

11 A Sounds like it. I -- no, to answer your  
12 question directly.

13 Q I don't know, either. It may be that in  
14 handwriting here on Exhibit 8 is the words "not us." Is  
15 that -- can you --

16 MR. CAROME. Off the record.

17 (Discussion off the record.)

18 MR. CAROME. Back on the record.

19 BY MR. CAROME:

20 Q If we could turn to this page, we are looking at  
21 a memorandum in [REDACTED] <sup>WITNESS (W)</sup> file dated 12/15/86, to [REDACTED] <sup>W</sup>  
22 from [REDACTED] <sup>PO</sup> Who is [REDACTED] <sup>PO</sup>

23 A [REDACTED] <sup>PO</sup> I'm not sure that [REDACTED] <sup>PO</sup> is  
24 the correct middle, but it is [REDACTED] <sup>PO</sup>

25 Q And the subject is inquiries about 14 November

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1 1985 flights; is that right?

2 A Yes.

3 Q And so in mid-December '86, the same subject  
4 that I'm asking you about, namely what was this reference  
5 to 14 November '85 flight, that had come up in your mind  
6 as well in December '86; is that right?

7 A I'm not sure it had come up in my mind. It had  
8 come up through another investigation which we were  
9 answering here about the same subject.

10 Q What other investigation was that?

11 A I've lost track.

12 MR. CAROME. Off the record.

13 (Discussion off the record.)

14 MR. CAROME. Back on the record.

15 BY MR. CAROME:

16 Q Based on what you learned in December '86, when  
17 this issue came up before, namely the issue of the November  
18 14 flight, it was your conclusion, and it still is your  
19 conclusion today that [REDACTED] did not do that flight;  
20 is that correct?

21 A Yes.

22 Q Was it your understanding that the August  
23 flight that [REDACTED] did perform was smokeless powder and  
24 detonators [REDACTED] ?

25 A From where to where?

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1 Q From [REDACTED]

2 A August '85 flight, to my understanding, was  
3 smokeless powder and detonators [REDACTED] to  
4 Tehran.

5 Q That was its -- that's where -- that was the  
6 point of origin for the flight; is that right?

7 A [REDACTED]

8 Q Yes.

9 A Yes, sir.

10 Q I show you what's been marked as Exhibit 9 and  
11 ask you if this document refreshes your recollection at  
12 all as to where the smokeless powder and detonators came  
13 from.

14 First of all, have you ever seen this  
15 document before or do you know who wrote it?

16 (Exhibit Number [REDACTED] 9 marked for identification.)

17 PO THE WITNESS. It looks like a document from  
18 [REDACTED]

19 BY MR. CAROME:

20 Q And you can see in the last line of the first  
21 paragraph a reference to 30 tons smokeless powder and  
22 detonators [REDACTED]

23 Does that refresh your recollection as to where  
24 the material was from?

25 A Yes. And I have never stated where the material

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1 was from. I told you where the material was unloaded and  
2 where it was offloaded.

3 Q That's right.

4 A The end-user certificate of the origination  
5 of the cargo looks to be from this document, and we're  
6 looking at Exhibit 9, to be originating [REDACTED]  
7 [REDACTED] not necessarily picked up by our airplane [REDACTED]  
8 [REDACTED]

9 Q I understand that.

10 Do you know whether or not any legal advice  
11 was sought from the CIA General Counsel's Office on the  
12 subject of bringing this smokeless powder into Iran on  
13 [REDACTED] plane?

14 A That's a hard one to answer. In the back of my  
15 mind is a recollection of providing what we call a  
16 two-way memorandum that I determined to <sup>have</sup> gone through  
17 the DDO General Counsel on this flight. I cannot locate  
18 said memorandum anywhere within [REDACTED] files.

19 Q Have you looked?

20 A Yes, and looked and looked and looked and looked.

21 Q Do you recall that this two-way memorandum,  
22 that some part of it, may have referred to the question of  
23 the legal implications of a flight such as this?

24 A I'm not sure we would tell the lawyer what the  
25 legal implication of the flight was. We would state our

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1 desire to accomplish the flight and what we intended to gain  
2 from such flight and let them rule on the legal  
3 implications of that flight.

4 Q But you recall that the General Counsel's  
5 Office was contacted in connection with that flight?

6 A Yes. The name, I don't have. The documentation  
7 I don't have. This is the DDO General Counsel.

8 Q That would have been Mr. Mayerfeld.

9 A I don't know.

10 Q You don't know him?

11 A I know him, but I don't know --

12 Q You don't know whether he was the one who was  
13 involved?

14 A No.

15 Q In fact, that August flight was a lot closer  
16 to a truly pure commercial flight --

17 A Yes.

18 Q -- than the flight involving the NSC or requested  
19 by the NSC in November; is that correct?

20 A That is a judgment one can render, yes.

21 Q Do you believe that's a fair judgment?

22 A Yes.

23 MR. CAROME: Let me mark this as the next  
24 exhibit.

25 THE WITNESS: Do you have a well you're hiding

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1 those things in?

2 (Exhibit Number [REDACTED] 10 was marked for  
3 identification.)

4 THE WITNESS: Can we <sup>go</sup> off the record for just a  
5 minute?

6 MR. CAROME. Sure. Off the record.

7 (Discussion off the record.)

8 MR. CAROME: Back on the record.

9 BY MR. CAROME:

10 Q I show you what's been marked as Exhibit 10 and  
11 ask you to take a look at that and -- it may be that you've  
12 never seen this document before, and if that's the case,  
13 we can get right off the subject, but can you tell me  
14 whether you've seen this document before?

15 A It's ever a great probability that I have seen  
16 Exhibit 10, however, I can't, in essence, testify to  
17 certainty that I've seen it. There were several memorandums  
18 for the record done in the November '86 time frame to  
19 attempt to provide our management levels with what is  
20 understood about the particular flight that we spent four  
21 hours talking about. And this could be one of those  
22 drafts or one of those actual memorandums. It does look  
23 familiar, yes.

24 Q Is it possible that you are the person who  
25 prepared this?

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1 A I don't think so.

2 Q Is it possible that you played a role in  
3 pulling together the information for this?

4 A Yes.

5 Q Let me ask --

6 A The reason that I say it was not me who prepared  
7 it is paragraph 1, next to the last sentence, it describes  
8 the cargo.

9 Q And that's the paragraph that references the  
10 fact that it was Hawk missiles and it's your testimony that  
11 to this day, you're not aware about that.

12 A That's right.

13 Q Is that right?

14 A That's correct, yes.

15 Q There's -- in the sixth paragraph of Exhibit 10,  
16 the second sentence says, "We in CIA did not find out that  
17 our airline had hauled Hawk missiles into Iran until  
18 mid-January when we were told by the Iranians."

19 Do you know who the "we" is being referred  
20 to there?

21 A No, I don't.

22 Q In any event, that wouldn't include you; is that  
23 right?

24 A No.

25 Q Because you didn't learn that in January.

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1 A That's right.

2 Q The fourth paragraph refers to arrangements  
3 for the airline to pick up the parts [REDACTED] In your  
4 recollection, was it ever anticipated that a [REDACTED]  
5 plane would pick up anything [REDACTED] in the November  
6 '85 time frame?

7 A As you were going through the initial  
8 establishment of where, when and what, [REDACTED] may have  
9 been mentioned as a possible pickup point.

10 Q Do you recall that coming up?

11 A There were so many places mentioned and so  
12 much guess -- guessing that [REDACTED] could have been one of  
13 the points.

14 Q In the last paragraph, it says "Senior CIA  
15 management found out about the flight on 25 February."

16 Do you know what that refers to?

17 A No, I don't. That would be Monday, right?

18 Q That was 20 -- it says 25 February. I gather  
19 that means '86.

20 A Oh.

21 Q You don't know what that refers to?

22 A No. What is the source of your document that  
23 you have extracted here?

24 MR. CAROME: Can we go off the record.

25 (Discussion off the record.)

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1 MR. CAROME: Back on the record.

2 BY MR. CAROME:

3 Q On a somewhat unrelated subject, [REDACTED] do  
4 you have any information about a proposal to move [REDACTED]  
5 [REDACTED] to Tehran that was made to [REDACTED]  
6 proprietary?

7 A From where to where?

8 Q [REDACTED] to Iran.

9 A I have here a memorandum for the record that was  
10 forwarded, as far as the counsel for the Deputy Director  
11 for Operations, that described a flight [REDACTED]  
12 to Tehran in January '86 time frame. At that point, we  
13 thought it to be armaments of some sort, but did not know  
14 the true nature of the cargo.

15 [REDACTED]  
16 [REDACTED]  
17 [REDACTED] The request was denied by Mr. Mayerfeld,  
18 DDO Counsel.

19 The flight did not occur.

20 Q Okay. Just for the record, this is a document  
21 dates January 29, 1986, titled "Memorandum for the Record:  
22 Subject, [REDACTED] Proprietary Flight to Tehran."

23 Q [REDACTED] do you know of any other flight  
24 activity involving [REDACTED] in which there was U.S.  
25 Government involvement in which the payment was made by

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1 a private party rather than the Government?

2 A No.

3 Q This November '85 flight to Tehran is unique  
4 in that respect; is that right?

5 A Yes, sir.

6 Q Did you subsequently learn anything about the  
7 references in the report by -- I guess it was the report  
8 by <sup>M</sup> [REDACTED] -- about the cargo having been previously  
9 offered [REDACTED]?

10 A I'm sure when that report arrived, it was  
11 discussed as to when previously offered [REDACTED] or  
12 supposedly previously offered [REDACTED] As to the,  
13 you know, the outcome and the genesis of that discussion,  
14 I have no recollection.

15 Q You don't recall whether or not, based on what  
16 you now know, even things learned after November '85 --  
17 strike that.

18 You don't know dates on anything you've learned  
19 after November '85, whether or not the cargo had, in fact,  
20 been earlier offered [REDACTED] is that right?

21 A That's correct. However, it wouldn't be uncommon  
22 for a flight of this character to be offered to an airline

23 [REDACTED]  
24 [REDACTED] In the cargo brokerage business,  
25 the requirement sets their brokers then attempt to find a

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1 concern that will accomplish that requirement.

2 Q Is it possible that in [REDACTED] records,  
3 there might be documents that would refer to the earlier  
4 offer?

5 A If there are documents, they have since been  
6 reproduced and are available somewhere in this myriad of  
7 all [REDACTED] PO files relative to -- which you received.  
8 The memorandums from [REDACTED] M have all been reviewed  
9 and reproduced and provided through the various means.

10 Q Do you know if [REDACTED] M files have also  
11 received the same treatment?

12 A To the best of my knowledge, they have. He does  
13 not maintain files of that type that are not forwarded to  
14 [REDACTED] PO

15 MR. CAROME: Let's go off the record.

16 (Discussion off the record.)

17 (Whereupon, at 7:30 p.m., the deposition was  
18 adjourned.)

19  
20  
21  
22  
23  
24  
25  
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2 NOV 85  
22 NOV 85  
Chapter 10, Technique 10  
C 6535

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Ex 1

1600 hrs 22 NOV 85

AIR BRANCH (AB)

Requesting availability on 30th 707s

Major Service in Progress cargo 240,000 lbs

50 pieces 336045, En. 18' L X 2 1/2' W X 3 1/2' T.

Special Pickup & Destination was Tel and to [REDACTED]

on so coordination, was determined that  
SAC because could be made available one was on

The ground [REDACTED] scheduled on Sat Am

The second [REDACTED] was delivery, cargo  
to [REDACTED] and then to [REDACTED]

A container [REDACTED]

and had the [REDACTED] cargo put in [REDACTED] 15

Later damaged the [REDACTED] [REDACTED] had [REDACTED]

Loaded and departed [REDACTED] heading out

one [REDACTED] the [REDACTED] [REDACTED]

His final approval was given and I was able

that Richard COPP would be contacting [REDACTED]

about 2000 This did happen and by then

know the second [REDACTED] was not available.

Customer agreed to 65k plus all expenses

and was to arrange fuel and [REDACTED] at

Port Eads for Estimated 2 [REDACTED] COPP

had no problem with [REDACTED] [REDACTED]

The first [REDACTED] was scheduled [REDACTED]

2200 Everything was [REDACTED] and agreed [REDACTED]

News. [REDACTED] 26159 [REDACTED] 3C 2/43

1000 on 22nd [REDACTED] could [REDACTED] no problems to them.

I informed [REDACTED] of data before [REDACTED] the [REDACTED]

C 11N 2537

Partially Declassified  
in 12/2/1987  
by R.

REVIEWED FOR RELEASE  
Date 30/04/87  
HSC 8556

4485

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C. 6536

10 min. later [redacted] called to inform me  
that the 1st aircraft was late landing

[redacted] the 1st aircraft. The second [redacted]  
at the request of the customer. The  
customer had also requested [redacted] further  
movement of cargo to Tahiti. [redacted] indicated the  
[redacted] the same [redacted] he had earlier reported  
to us [redacted]. If we  
checked [redacted] of this [redacted] indicated he needed to  
go to [redacted] to [redacted] and take money. [redacted] AD and take money. [redacted] AD  
[redacted] passed this [redacted] and [redacted] and he to [redacted] [redacted] [redacted]  
and [redacted] (Dewey). He called back that they [redacted] [redacted]  
considering it [redacted] did not want [redacted] to  
get out of [redacted] with the customer long  
enough to make [redacted] move [redacted]

[redacted] to destination [redacted] ? why

[redacted] check [redacted] [redacted]

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Date

20 4/21/87

13C055C

C 11N 2537

2000 [redacted] [redacted] He had seen and was  
standing by the instructions.

2015 - C-6601 He had seen and notified

2200 [REDACTED] called to inform me that the fuel  
was moving [REDACTED] storage in place.

1120 23rd [redacted] called with some questions  
- should sign be taken down

Routing - Entry Point for Log & Time  
ETO

NOTE: NO demonstrative stain - indirect exposure  
at Akron. Room dangerous - congested.

8 mi min

only <sup>M</sup> BUT : 18 min After T.O.

AR 21

ALRAM 1.24 after next  
1.42

Tehran . 46

~~(15)~~ 12 = TABriz nd correct

CHN 2537

- A/C Ready - no money

۵۵۰

- no Traffic Signs

• no guidance ...

REVIEWED FOR RELEASE  
2016

7.

3 BC 2/4

guy at local store says

C 6538

1135 - [redacted] home 8000. - Congo in 2

1150 [redacted] Aircraft. based on people at [redacted] assume a  
[redacted] [redacted]

- EIA / Via. Bureau for Employees

have to travel - land @ [redacted] 6K

14 hrs. to land. → Two groups in the [redacted]

don't come back direct [redacted] → 24 hrs. to land

1 aircraft. Very Riching guy →

130 + 1:30 + 1:30

+40 + 1:30

if 20:00 :40

20:40

1:30

22:10

00:10

2000 2 200

2040 2

2210 2

0010 2 2400

1410 2 2400

2100

Don ground [redacted] No Cargo Doc  
Mr. North.

Just [redacted]

2 1/2 hrs after Landing

19:00 [redacted]

Tomorrow Evening

DO:00

ARK 2

3-30-2/43

DO

25:50

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CIIN 2537

22 1408  
H2055C

EX2  
30 Nov 8

**UNCLASSIFIED**

MEMORANDUM

301185

Re: Mission TLV/THR

## 1. CHRONOLOGICAL REPORT

## PHASE I - Contact and Contract

Friday afternoon 22 Nov first info to me via [REDACTED] that I would be contacted concerning an urgent flight and that it was in our interest to perform those upcoming flts. At about 20 00 Local time I was contacted by a certain Mr. Richard Copp [REDACTED]. He asked me whether I had already been informed about a mission, which I denied. He then explained to me that there had to be 3 flights done as quickly as possible "Government to Government" from Tel Aviv [REDACTED]. After a short discussion we agreed that we could do it with 3 aircraft consecutively for a flat fee of 60 000.00 USD plus fuel, land, handling had to be paid by him. Further it was agreed that second Boeing would be made available on request should the matter get urgent. During my subsequent conversation to our [REDACTED] I referred to my MEMO 211185 [REDACTED] and questioned the way it was displayed to me and supposed [REDACTED] this cargo was the same as in my memo indicated. This was [REDACTED].

## PHASE II - Positioning

Our Boeing [REDACTED] had just arrived [REDACTED]. The aircraft was taken over by [REDACTED] and [REDACTED] departed to [REDACTED]. Capt [REDACTED] had the order that upon the receipt of the code "Celia" he would find an excuse for the customer and depart [REDACTED] Aviv, filing officially for [REDACTED]. Traffic rights for [REDACTED] were tentatively applied for by our [REDACTED] should this become necessary.

Our second Boeing was parked in [REDACTED] and [REDACTED] not depart before the airport opened the next morning [REDACTED]. At the time I had made the agreement with [REDACTED] about 0100 G. The crew [REDACTED] which was supposed to [REDACTED]. The next day [REDACTED] was therefore alerted concerning the early departure of this aircraft from Tel Aviv. After the airport had opened the fuel company [REDACTED] available for fuelling this aircraft [REDACTED]. At about this time I was informed by Copp that pallets had to be taken along. [REDACTED] Our own pallets were stored in the [REDACTED].

Revised Declassified/Released on 3/29/88  
by [REDACTED] provisions of EO 12356  
by [REDACTED] National Security Council

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hangar. [REDACTED] Due to the shortage of time we decided to let the aircraft fly [REDACTED] to pick up the pallets instead of transporting them [REDACTED] ground transport.

[REDACTED] The pallets had been put on a forklift in the meantime and our mechanic was waiting for the aircraft to arrive. After the aircraft had arrived the pallets were loaded and the aircraft continued to fly to Tel Aviv after having refuelled a little because of the extra flying time [REDACTED]

In the meantime Capt [REDACTED] together with [REDACTED] and an "COP" additional loadmaster [REDACTED] had arrived from Paris via train and were also on board when the aircraft departed finally at about [REDACTED] It arrived in TLV at [REDACTED] (23 Nov)

Due to this departure [REDACTED] Copp had requested from me to also put the second aircraft into this operation due to the utmost urgency of the mission. **IT WAS** Therefore the code word was transmitted [REDACTED] and after unloading [REDACTED] fuelled and departed to TLV [REDACTED] The overflight rights had been granted in the meantime [REDACTED] landed at [REDACTED] on the 23 Nov in TLV [REDACTED]

### PHASE III - Loading

Although Richard Copp, [REDACTED] had said to me that the loading was planned to take 5 hours but would be speeded up to 2 hours. [REDACTED] which had first arrived, had loaded one piece out of 19 pieces in 4 hours. Therefore [REDACTED] the time all concerned parties were concerned that the [REDACTED] would take as long as possibly 24 hours. Therefore and [REDACTED] obviously traffic rights had not been granted [REDACTED] I was told that now the load had to be transported [REDACTED] only [REDACTED]. This confirmed my initial suspicions and it was [REDACTED] that several things had to be changed. (Copp [REDACTED] hours before that the traffic rights in [REDACTED] issued and [REDACTED] was informed at [REDACTED] my crew told me that in TLV everyone knew that they had already been [REDACTED] down and that the real deal was [REDACTED])

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I was given the contact of Mr. A. Schwimmer in TLV by Mr. Copp and he talked to Schwimmer several times on the phone.

He told him that we could not fly to THR with an American registered aircraft and that we therefore had to unload [redacted] again.

He tried several times to convince me and even offered to paint a different registration on the aircraft and do some kind of formation flying into THR. Keeping in mind that all phone conversations to Israel might be listened to, I told him that we were a normal Airline and wanted to stay in business. He said he would come and that the only way to do it was the correct way for us to do it. Therefore [redacted] was unloaded again. the 101

In addition to that I explained to him that we needed traffic rights in overflight [redacted] which we had applied for tentatively the moment the real deal had come out, but only for [redacted].

And also we estimated that it would take time to get those rights. In addition I had conferred with [redacted] and was told that those traffic rights would be supported diplomatically and that we could count on the [redacted].

I was in touch with [redacted] all the time and verified all [redacted] them. In fact [redacted] was in Schwimmers home and we negotiated there that we needed 30 000 USD in order to go to the [redacted] destination because we had not planned on it and therefore did not enough cash with us. Also we did not trust them that everything was paid in THR. Schwimmer came up with 8000 USD and lengthy discussions because it was Sunday in the meantime and he could not get more money. the captain

PHASE IV - Flights [redacted] performed

According to the new agreement between Schwimmer and [redacted] had been unloaded again and departed [redacted] on Sunday the 24 Nov.

the 101 captain [redacted] did this flight and took all extra crew back except for the second loadmaster because it had become obvious to us that the TLV/THR route could be flown by one crew due to the lengthy loading and unloading process.

In the meantime Schwimmer confirmed that [redacted] rights for overflight [redacted] had been confirmed [redacted] we could go with [redacted] as soon as it was loaded.

However, the last moment they decided [redacted] without agreement that the aircraft should land [redacted] on to the [redacted] This required additional funds by us [redacted] had to be defuelled in TLV because it would have [redacted] for landing [redacted] and had to refuel [redacted] this mission.

[redacted] money but [redacted] after long discussions [redacted] another 2000 USD which [redacted] together with the cash he had in his ships funds about [redacted].

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Finally we gave the green light for <sup>the captain</sup> to take off and he left TLV with <sup>the captain</sup> on the 24 Nov. Since arrival it had taken him exactly 24 hours for loading and clearing all the problems.

After arrival <sup>the captain</sup> had new problems as the customer and especially the military in TLV had not only not given him any documents for the load but also had taken out every evidence which might have proved that the aircraft was in TLV. Customs <sup>the captain</sup> therefore did not want to release the aircraft unless documents were produced and therefore the load also had to be inspected. Finally <sup>the captain</sup> wrote a cargo manifest <sup>the captain</sup>, which was accepted although it had no stamp of the signature point and finally he could talk his way out of this situation. Finally he therefore left at <sup>the captain</sup> direction as planned.

However, nothing was prepared for overflight <sup>the captain</sup> and he had again to talk his way through. Since they repeatedly insisted on a diplomatic clearance number, he made one up which was not accepted after long negotiations and then he filibustered one hour and 30 min his way <sup>the captain</sup>, using different altitudes, positions and estimates that he told <sup>the captain</sup> with whom he was obviously in radio contact.

However, radar realized his off-positions which gave additional <sup>the captain</sup> for arguments and delays. At the THR border <sup>the captain</sup> received without any problems but he did not have to say the code "I am coming for Mustafa" because Radar treated <sup>the captain</sup> very normally. Finally he landed <sup>the captain</sup> on the 25 Nov (Monday)

## PHASE V - Unloading

After landing in THR the aircraft had to remain on the runway for about 10 min until a "follow me" came and directed them to the parking area which was on the military side. The landing had been done on runway 29 r and the aircraft was directed to the south of this runway, onto the north/west part of the southern military apron. At this location the aircraft had parked also during our last flight a few <sup>the captain</sup>. It is a special area which is surrounded by a high fence to the outside so that people outside the <sup>the captain</sup> cannot see the aircraft.

<sup>the captain</sup> was first contacted by an officer <sup>the captain</sup> who directed the unloading later and who told him that <sup>the captain</sup> must know about this flight and were surprised that it <sup>the captain</sup> 30 min after arrival a civilian with a <sup>the captain</sup> on his back arrived at the aircraft and asked <sup>the captain</sup> first: "What are the nationalities of the crew and the cargo, where do you come from?" Then he talked to <sup>the captain</sup> telling him that he should not

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to Captain tell anyone including the military where the aircraft really came from. He then mentioned that they were expecting 4 more flights from TLV. He would like to see the same crew then due to security. When [redacted] was asking for money or arrangements of fuel, parking etc. he told him not to worry and that everything would be taken care of.

2 Supervisor then started to direct the unloading, one military and one civilian with submachine gun.

The TLV was sent to the officers Headquarters where they were told again by the civilian to keep their mouth shut about this and not talk to anyone about their mission.

Captain [redacted] then told him that our crew did not want to pass through passport and customs control because during the last flight it had taken several hours and they wanted to avoid that this time as they expected quick unloading and then had to leave again. Therefore the civilian took them in a car through back roads off the airport and was not checked or stopped at the gate although even military had to present their id - cards at that gate. The trip to the Hotel took one hour and finally they arrived at the former Sheraton Hotel. (Different name now, could not remember)

All rooms were occupied and therefore they had to take a suite together. After being at the hotel for about 2 hours to the surprise of the crew they got a phone call that the aircraft was unloaded and that they would be picked up in a few minutes. This was 6 hours after the aircraft had landed. [redacted] had the Captain remained at the airport for some time to see that the unloading really took place and that it was done correctly. Then the time in the office [redacted] and the trip to the Hotel had taken some time.)

However, after this alert it took 2 hours until the car finally arrived. In the meantime the civilian had apologized several times and the crew was offered coffee and cakes.

After arrival at the airport through the "backdoor" [redacted] required a permit number for overflight [redacted] in order to avoid the problem he had coming in. He refused to leave without. Therefore he and the civilian went to the Tower from where they tried to [redacted] obtain this number. After about 2 hours of trying [redacted] told them that the [redacted] was ok but they could not get a number. Also [redacted] told that the Air Defense of Iran was informed and that [redacted] leave now which he finally accepted.

When the crew was taken over to the airport [redacted] realized that the aircraft had been towed to the civilian side. In the meantime and that it was being fuelled by civilian persons. When [redacted] asked for full tanks (ordnance) [redacted] him because after all those problems which I was [redacted] had called [redacted] via Telephone from the hotel. I wanted the possibility to take the aircraft directly back [redacted] if necessary. The civilian who had received him was very disappointed because he realized that so much fuel was not needed to go back to TLV. However [redacted] told him that he needed the extra for security.

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the Captain

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PHASE VI - Return flight

The aircraft took off at [REDACTED] on the 25 Nov, after 14:35 hours on the ground in THR.

The aircraft was directed by radar off the airways a little more to the north than normally, close to the Russian border.

Also [REDACTED] was given a special exit time which he had to meet

in order to comply with the Iranian Air Defense.

Approaching Tabriz the aircraft was ordered down from FL 350 to FL 280, shortly before reaching [REDACTED] border again up to FL 350. (reason unknown).

No transponder was used in the Iranian airspace.

After arrival [REDACTED] was told by radar that at time he was accepted but that in future for further flights, the ok of the civilair was not enough but that he had to get also the ok of the Ministry of foreign affairs and that otherwise the aircraft would be turned back.

Based on all this information, I ordered [REDACTED] via radio to proceed directly [REDACTED] which we had planned initially.

The aircraft arrived [REDACTED] 26 Nov.

**GENERAL CONCLUSIONS**

The mission was poorly planned and directed by our contract partners in a amateurish way.

1. [REDACTED] had been in the market for about a week with the intention that the [REDACTED] from [REDACTED] to THR.
2. Copp was sitting in [REDACTED] although [REDACTED] was not flown to and he as our contract partner could not [REDACTED] what was going on in TLV. C 2/43
3. In TLV the aircraft was on the military [REDACTED] loaded by high ranking military personnel who were not accustomed to this type of work. (The lowest ranking [REDACTED] Lieutenant) In addition they did not work much at [REDACTED] of many coffee breaks. 2622
4. A certain Mr. A. Schwimmer which was introduced to [REDACTED] by Copp as the representative in TLV of Copp, was very pushy with the military, sometimes to a point where he was insulting, but he did not understand the special aviation problems and did not have things under control. I.E. He seriously proposed to the Captain [REDACTED] to change the registration of the

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aircraft and to forge the respective papers " in 2 hours". This was turned down by [redacted] and also by myself when Schwimmer mentioned it on the phone due to the before mentioned reasons.

Also the cash money which Copp had promised was not available and Schwimmer apparently did not know about this requirement.

5. The routing changes, destination changes, involved traffic rights were done too late and the crew grew more and more insecure as they are not used to this type of makeshift airline direction and control.
6. The mission was still performed successfully because of the initiative the crew had displayed and because they are used also under adverse circumstances to complete the mission before problems will be discussed. However, this is not the way it can be done repeatedly because the good will will be worn out.

**PROPOSAL**

As Aviation is a very complex business which requires a lot of experience from all concerned and also because the feed back information is so vital for the operation, the directly involved employees have to be part of the decision making and planning as early as during the contracting stage.

Had it not been a special flight, I would have delayed for about 2 days after I had learned about the change of Destination in order to have enough time for correct planning and the acquisition of the necessary traffic rights.

The little radar controller does not know political decisions and will not even be informed by his superiors. We experienced that time and again. Therefore all those things have to be presented in a normal way so that the controller simply has a diplomatic clearance number like he has for every other aircraft. This flight will look totally normal for him.

In other words: Those flights can be performed without any problem by only with the proper planning.

In order to have proper planning, the manager of the airline, who happens to be myself, should be heard before concluding or making commitments to third parties and be part of the planning process.

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I therefore suggest that during the preparation process I should be invited to the meeting of the departments which are involved in the decision making.

I believe that there is the aspect of security and that the mission have to be done in a clandestine way. However, it cannot be worse than it was during this last mission and it could have been performed totally clandestine, had the above proposed meeting taken place in advance.

In addition to that, my presence during the mission could provide the concerned officers who represent the different departments with useful feedback information so that for future planning some things can be ruled out right away without even going into detail whereas others can be accepted right away without checking details.

In addition to that, single missions or tasks to be performed should be part of a strategy which I am sure exists, but which I am not aware of in detail. Knowing the all-over strategy it would be easier to plan certain missions and it would even be easier to plan the budget which defines whether new airplanes have to be purchased/leased or others have to be sold.

In short: I would appreciate if I could be given more responsibility by being more part of the team as far as the planning of the aviation aspects are concerned. I think it is a waste of experience and information when it is not made part of the planning process. I also like to make sure that I am not on a "ego trip", but that I have the success of our company in mind which last not least is also the success of this country.

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EX-3

25 November 1985

SUBJECT: NSC Requirement for Covert Airlift

At the request of the NSC on 24 November, [REDACTED] proprietary Boeing 707 transported sensitive cargo from Tel Aviv to Iran. This was a fast breaking requirement for a controlled non-U.S. registered commercial airlift. We are pleased [REDACTED] proprietary was able to successfully handle this sensitive and dangerous airlift which involved a routing from Tel Aviv to [REDACTED] over [REDACTED] into Iran. The aircraft is still unloading in Teheran and should depart this morning. More flights are expected this week.

[REDACTED] 29 Nov 85

## Distribution:

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Declassified/Released on 22 June 1987  
 under provisions of E.O. 12356  
 by B. Reger, National Security Council

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Partially Declassified/Released on 23 June 1998  
under provisions of E.O. 12356  
by B. Reger, National Security Council

SUBJECT: NSC REQUEST

REF:

1. ACTION REQUESTED: FLASH RESPONSE SOONEST TO REF AND FOLLOWING.

2. MET WITH AMB [REDACTED] AT [REDACTED] HOURS. AMBASSADOR WAS ALSO CONVOKED. [REDACTED] QUITE UPSET [REDACTED] MULTIPLE FLIGHT PLANS RECEIVED, FACT FIRST FLIGHT CAME DIRECTLY FROM [REDACTED] AND DID NOT REQUEST CLEARANCE BEFOREHAND AND [REDACTED] ACTING STORIES ABOUT PLANE'S CARGO. [REDACTED] TOLD [REDACTED] IT [REDACTED] INDUSTRY SPARE PARTS. TELEX FROM CARRIER STATED MEDICAL SUPPLY AND THE PILOT TOLD GROUND CONTROLLERS HE WAS CARRYING [REDACTED] EQUIPMENT.

3. CARRIED THE CAN ON THIS SO [REDACTED] IT TO INVOLVE AMBASSADOR AND DEPARTMENT (DEMARCHÉ WILL NOT BE [REDACTED] OTHER THAN IN THIS CHANNEL).

4. BOTTOM LINE IS THAT [REDACTED] STILL [REDACTED] TO ASSIST BUT HAS DEVELOPED A LITTLE CYNICISM ABOUT OUR INTERACTION WITH THEM ON THE MATTER. [REDACTED] AGREED THAT FURTHER FLIGHTS COULD PROCEED. SUBSEQUENT TO [REDACTED] ALSO INSISTS THAT PLANES FOLLOW NORMAL PROCEDURES, I.E. REQUEST OVERFLIGHT CLEARANCE, AND THAT THEY DO NOT SHUTTLE FROM [REDACTED] AS NOTED. [REDACTED] PLANES MUST NOT COME DIRECTLY FROM [REDACTED] THEY SHOULD TURN WEST AND PICK UP OTHER ROUTING. EVEN BETTER, WOULD BE NOT TO UTILIZE [REDACTED] AT ALL.

5. ANOTHER MATTER REQUIRING CLARIFICATION IS THE QUESTION OF AIRCRAFT. [REDACTED] HAS IMPRESSION FROM PAPERS FILED BY CARRIER THAT SAME PLANE TO BE UTILIZED AND SHUTTLE FROM [REDACTED] THAT IS, IMPRESSION FROM EARLIER TRAFFIC. PLS CLARIFY.

6. THE SITUATION NOTED PARA 2 REF, I.E. SECOND FLIGHT [REDACTED] THIS MORNING DID NOT EVENTUATE. WE NEED, HOWEVER, TO TRY AND EXPLAIN AWAY THE MULTIPLE FILED FLIGHT PLANS. IS IT PROBABLE THAT THEY REPRESENT PLANNING PRIOR TO THE RESTRICTIONS PLACED ON FLIGHTS BY [REDACTED] IF SO, WAS THERE A BREAKDOWN IN COMMUNICATION? CHARTER CARRIER DID NOT GET THE MESSAGE? THIS IS A POSSIBLE EXPLANATION [REDACTED] PRESENTED TO [REDACTED]

7. IN ANY EVENT, WE ARE GOING TO HAVE TO TRY AND [REDACTED] THE [REDACTED]

[REDACTED] POINTS OUT THAT ATTEMPTS TO CIRCUMVENT THE GROUND RULES (EITHER CONSCIOUSLY OR THROUGH POOR COORDINATION) RUNS RISK OF A LEAK AND BAD PUBLICITY, HARMS MORE TO U.S. THAN [REDACTED]

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DIRECTOR 620289

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STAFF: DIRECTOR 620289  
TO:Partially Declassified/Released on 23 June 1987  
under provisions of E.O. 12356  
by S. Reger, National Security Council

SUBJECT: NSC REQUEST

-REF: A.  
B.

1. YOU MAY ASSURE [REDACTED] THAT WE WILL NOT USE [REDACTED] FOR ANY FURTHER FLIGHTS NOR WILL THERE BE ANY SORTIES UNTIL [REDACTED] WHAT I NEED TO KNOW IS CAN WE PROCEED WITH A FLIGHT TRANSITTING [REDACTED] LATE EVENING 27 NOVEMBER/EARLY MORNING 28 NOVEMBER OR [REDACTED] WE WAIT UNTIL THE EVENING OF 28 NOVEMBER.

2. PLEASE TELL [REDACTED] THAT WE SOLELY REGRET THE ENORMOUS AMOUNT OF CONFUSION SURROUNDING LAST NIGHT'S SORTIE. YOU ARE INDEED CORRECT THAT PLANS BEING MADE AT POINT OF THE AIRCRAFT'S ORIGIN WERE OVERTAKEN BY [REDACTED] ACTIONS PLACED ON THE FLIGHTS BY [REDACTED] OUR PROBLEM IS THAT [REDACTED] ARE ONLY BROKERS IN THIS MATTER AND DO NOT HAVE DIRECT RADIO COMMUNICATIONS WITH THOSE RESPONSIBLE FOR ORIGINATING THE SORTIES OR THE FLIGHT CREWS. THIS IS BASICALLY A COMMERCIAL TRANSACTION AND INVOLVES AIR CHARTER COMPANIES OVER WHICH WE HAVE NO DIRECT CONTROL. MOREOVER, THERE ARE NO AGENCY PERSONNEL ON THE GROUND AND IN CONTACT WITH THE INDIVIDUALS ORIGINATING THE FLIGHTS. THUS, OUR COMMUNICATIONS WITH THE LATTER ARE SLOW AND TENUOUS AT BEST. THIS WHOLE OPERATION HAD TO BE PUT TOGETHER IN VERY SHORT ORDER AND NOW THAT WE HAVE A COUPLE OF DAYS TO PLAN THE NEXT SORTIE, I THINK WE CAN ASSURE YOU AND YOU IN TURN CAN ASSURE [REDACTED] THAT THE NEXT SORTIES WILL GO MORE SMOOTHLY AND IN LINE WITH [REDACTED] REQUIREMENTS.

3. EQUIPMENT ON BOARD IS INDEED SPARES FOR THE OIL INDUSTRY BUT THAT IS NOT TO SAY THAT IT MAY NOT ALSO HAVE SOME SPECIALIZED MEDICAL EQUIPMENT OR SUPPLIES MIXED IN WITH IT. I SIMPLY CANNOT UNDERSTAND WHY THE PILOT TOLD GROUND CONTROLLERS HE WAS CARRYING MILITARY EQUIPMENT, BUT PERHAPS THAT IS WHAT HE THOUGHT HE WAS TRANSPORTING.

4. I AM VERY INTERESTED IN THE POSSIBILITY OF USING [REDACTED] IN [REDACTED] FOR AT LEAST ONE OR MORE OF THE NEXT SORTIES. CAN [REDACTED] ASSIST US IN ARRANGING FOR THE USE OF THIS FIELD?

5. ALL HERE VERY MUCH APPRECIATE YOUR EFFORTS OVER PAST WEEKEND ON THIS VERY IMPORTANT OPERATION. YOU MAY [REDACTED] THAT THEIR COOPERATION IS NOT LOST ON HIGH LEVEL AUTHORITIES HERE. FINALLY, I ASSUME FROM REF B THAT OUR AMBASSADOR IS FULLY WITTING OF THIS OPERATION. PLEASE CONFIRM SO THAT I MAY ADD HIM TO THE BIGOT LIST AND INFORM THE NSC. BEST REGARDS AND THANKS.

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MEMORANDUM

3/1/85



30 Feb 85

Re: TLV/THR flt

Display of company

In the initial contact with Copp and also later in discussions with Schwimmer, I stressed the financial points and gave them the impression that I was mainly interested in the money.

After the first flight when I had gone [redacted] and Schwimmer called me on Tuesday in my office [redacted] I told him that the money had not arrived yet as promised and that before we discuss it further, we needed our money.

He then said that he was not our contract partner, but Copp. When Copp called again [redacted] I told him that he should come [redacted] to meet with me and to discuss his payment. He was very amazed that the money had not come in yet and that he could not come because [redacted] had to go back [redacted] to "save 225 000USD". He then promised to [redacted] sure the money would be transferred as soon as possible. Altogether they must [redacted] had the impression that they were dealing with a mercenary [redacted] airline and that we were just doing a job to make money.

The same impression [redacted] made in TLV in discussion with Schwimmer by Capt. [redacted] the main points were how to get enough cash money and [redacted] to handle things the commercial way. [redacted] told Schwimmer that he would only fly after final ok by myself which would come after I had agreed with Schwimmer about the money and the cash which he had to get.

In [redacted] we had the excuses of having a urgent relief flight/landing gear problems and after the airplanes returned from the trips everything went back to normal and no questions were asked.

The crews did not talk to anyone about any company matters in TLV or THR and all concerned should have [redacted] impression that a business was conducted in a professional

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 under provisions of E.O. 12356  
 by K. Johnson, National Security Council

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PURPOSE THE FLIGHT 23-25 Nov. 95

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Chapter 10, Footnotes 25-27706

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1 [REDACTED]

2 [REDACTED]

3 [REDACTED] are often involved in transport of difficult cargo. They contracted 10 flights to Tehran. The flights are supposed to leave immediately if at all possible consecutive. The cargo is declared to be medicine but is in reality ammunition etc.

4. TEHRAN SITUATION

A flight was made from [REDACTED] to Tehran with Boeing 707 on the 14 Nov 85. The aircraft was there escorted by Iranian fighters until it reached Tehran. There is one more flt coming in December from [REDACTED] which we are negotiating presently. 3 more flts are planned beginning 86 to go from [REDACTED]. We will be informed about those.

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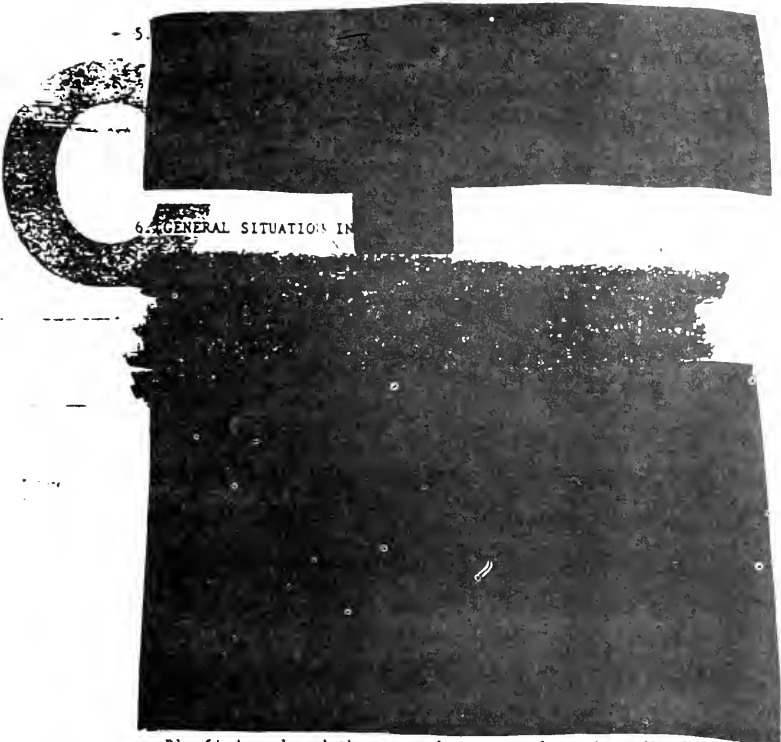
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6. GENERAL SITUATION IN



Please find enclosed the cargo documents of our last flight from [redacted] to Teheran.

7. GENERAL




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26 Aug 85

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Air Branch

August 26, 1985

Memorandum to: [REDACTED]  
 Subject: Activity 12-24 August 1985  
 From: [REDACTED]

Our 707 [REDACTED] the flight from [REDACTED] to Tehran.  
 13 August [REDACTED] had previously reported. The cargo was  
 reported to be 50 tons smokeless powder and detonators.

The 707 returned [REDACTED]

16 May [REDACTED]

[REDACTED]

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EX. 10

SUBJECT: CIA Airline Involvement

In late November 1985, a CIA proprietary airline was chartered to carry cargo to Iran at the NSC's request. The cargo was described to us as oil drilling spare parts. Although we did not know it at the time, the cargo was actually 18 Hawk missiles. The chronology of the incident is as follows:

On 22 November 1985, the NSC contacted the Agency with an urgent request for the name of a discreet, reliable airline that could transport bulky oil-drilling parts to an unspecified destination in the Middle East.

We offered the name of the CIA's proprietary airline as a company which could handle the NSC request. The NSC passed the name of our airline to ~~their intermediary with the Iranians~~ *the Israelis*.

In the interim, we contacted our airline and told them that they would be receiving an urgent, legitimate charter request. The NSC intermediary contacted the airline that evening (22 November) and made arrangements for the airline to pick-up the parts in [redacted] *operated by the propeller*

The destination was changed to Tel Aviv and two of our airline's Boeing 707's arrived in Tel Aviv 23 November. The cargo was ultimately loaded onto only one of the aircraft. Loading was completed by 24 November and the aircraft proceeded to Iran via a stop at [redacted] and then overflying [redacted]. At the NSC's request, and for the protection of our aircraft, we helped arrange for the overflight clearances.

To the best of our knowledge, *neither Israeli nor the Iranians know* the intermediary did not know that they were dealing with a CIA proprietary, nor did airline personnel know what they were carrying. *We never did find out that our airline had hauled Hawk missiles into Iran until mid-January when we were told by the Iranians.*

The airline was paid *by the Israelis* the normal commercial rate which amounted to approximately \$127,700. I should stress that the airline does a considerable amount of normal business in addition to its support to CIA. It had, in fact, made *another unrelated* legitimate flight into Tehran carrying commercial items prior to the 22-25 November incident.

*November* Senior CIA management found out about the flight on 25 February. Although we did not know the nature of the cargo, we thought that any future support of this type to the NSC would require a Finding.

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**Committee Hearings**

of the

**U.S. HOUSE OF REPRESENTATIVES**

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3 Select Committee to Investigate  
4 Covert Arms Transactions with  
Iran

(CIA CHIEF)

5 Deposition of [REDACTED]

6 Monday, April 13, 1987

7 U.S. House of Representatives

(CIA CHIEF)

12 The deposition of [REDACTED] was convened,  
13 pursuant to notice, at 2:40 p.m., Monday, April 13, 1987,  
14 in Room H-128, The United States Capitol.  
15

16 Present were:

17 Thomas R. Smeeton, Minority Counsel, Select Committee  
18 to Investigate Covert Arms Transactions with Iran, U.S.  
19 House of Representatives.

20 Timothy Woodcock, Associate Counsel, Select Committee  
21 on Secret Military Assistance to Iran and the Nicaraguan  
22 Opposition, U.S. Senate.

23 [REDACTED] Assistant General Counsel, Office  
24 of General Counsel, Central Intelligence Agency.

25 [REDACTED] Legislative Liaison, Central Intelligence  
Agency.

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1 Whereupon, (CIA CHIEF)  
2 [REDACTED]

3 was called as a witness, and after being duly sworn, testified  
4 as follows:

5 MR. WOODCOCK: [REDACTED] I am Tim Woodcock, Associate  
6 Counsel with the Senate Select Committee on Secret Military  
7 Assistance to Iran and the Nicaraguan Opposition. This  
8 deposition is being taken pursuant to the request of the Senate  
9 Select Committee. Present is a member of the House Select  
10 Committee covering the same subject matter and no doubt the  
11 House will be making use of the information that you will be  
12 imparting in the course of this deposition.

13 This deposition, of course, is being taken pursuant to  
14 an official inquiry of the Senate as well as an official  
15 inquiry of the House.

16 Let me start off -- thank you. The House representative  
17 is giving me a card noting he is Thomas R. Smeeton. I  
18 believe the reporter has that information already.

19 [REDACTED] if we may, let me begin first by noting  
20 for the record that I provided you and the legal represen-  
21 tative from the CIA with a copy of the Senate rules and Senate  
22 resolution that creates our committee. I very much appreciate  
23 your willingness to come here on short notice for this  
24 deposition; and we understand that in so doing, you are  
25 accommodating us, and in a certain sense, we are accommodating

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1 you in preventing you from having to return for a deposition  
2 later this month.

3 EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

4 BY MR. WOODCOCK:

5 Q- Let me ask you, sir, before we get into the sub-  
6 stance of this to just generally outline your career with  
7 the CIA.

8 A I came on board in [REDACTED]  
9 [REDACTED]  
10 [REDACTED]  
11 [REDACTED]  
12 [REDACTED]

13 Since then, I have served in various capacities in  
14 Washington. [REDACTED]  
15 [REDACTED]

16 Q You are currently <sup>CIA</sup>chief [REDACTED]?

17 A I am currently chief [REDACTED]

18 Q [REDACTED]

19 A [REDACTED]

20 Q [REDACTED]

21 A [REDACTED]

22 Q [REDACTED] were you acting in your capacity  
23 as chief [REDACTED] in late November of 1985?

24 A Yes.

25 Q And could you describe for us information that

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1 you received in that period of time relating to a -- from your  
2 headquarters relating to an NSC -- that is, National Security  
3 Council -- endeavor?

4 A At 0300 hours on the 22d November, I received a  
5 message from the [REDACTED] communicator, our communicator [REDACTED]  
6 [REDACTED], noting that there was a flash message that  
7 required my immediate presence [REDACTED]

8 Q By 0300, you mean 3:00 a.m.; is that correct?

9 A 0300, 3:00 a.m.

10 Q What is a flash message?

11 A It's the highest message.

12 Q What did you do after receiving that information?

13 A I immediately went to [REDACTED], arriving about  
14 0400, 4:00 a.m. Read my message, noted there was a second  
15 message, directed by deputy also to come in and assist me.

16 Q Who was your deputy at that time?

17 A [REDACTED]

18 Q Could you spell that?

19 A [REDACTED]

20 Q Then what happened?

21 A Both of us stood by for the message directing  
22 me on special assignment. It arrived. It directed me to  
23 stand by to assist a Mr. Richard Copp who -- alias Richard  
24 Copp whose true name was Brigadier General Richard Second.

25 Q Was that part of the latter communication you

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1 received?

2 A Yes.

3 Q So that you knew shortly after you arrived that  
4 the individual, Mr. Copp, was in fact Richard Secord; is that  
5 correct?

6 A That is correct.

7 Q Was that a name you recognized at all?

8 A No.

9 Q What happened at that point?

10 A Well, the message told me to stand by and assist  
11 Mr. Secord, Copp -- I'll call him Secord from now on -- who  
12 was on personal assignment for the National Security Council.  
13 I was to contact him at a given telephone number and assist  
14 him as required.

15 Q Were you given any instructions with respect to  
16 holding this message close?

17 A I was told not to discuss it with the ambassador.

18 Q Do you know from -- from whom or what office you  
19 were receiving these messages?

20 A Yes. It was perfectly clear it was coming out  
21 of the Chief of European division, Mr. Duane Clarridge.

22 Q He has the nickname of Dewey; is that correct?

23 A Dewey.

24 Q After receiving the message with respect to Mr.  
25 Secord, what did you do?

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1           A       I called the telephone number, turned out to be  
2 a hotel. I asked for Mr. Copp's room, connected with it.  
3 A female with an American accent answered the phone, told me  
4 that Mr. Copp was not there, that he was at the office, and  
5 gave me the phone number of the office.

6           Q       Approximately what time is this?

7           A       This would have been at 0430 hours.

8           Q       What did you then do?

9           A       I called the office.

10          Q       What happened?

11          A       I asked for Mr. Copp. Back up. A [REDACTED]  
12 female, or male -- I am not sure which, because at different  
13 times it was a male or a female. I asked for Mr. Copp. They  
14 called Mr. Copp to the phone. I identified myself, told him  
15 I was with [REDACTED] and had been directed to  
16 contact him, and he was awaiting my call. He acknowledged  
17 that. I gave him my phone number where I could be reached.  
18 I asked what I could do at the time.

19               He said the only thing he needed at that time was to  
20 verify the phone numbers of the prime minister and the foreign  
21 minister. He said a very senior official will call them.

22               At that point he told me to stand by.

23          Q       Let me stop you right there, if I may, for just  
24 a moment.

25               You testified that this -- Mr. Secord wanted to confirm

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1 the numbers of these national officials; is that correct?

2 A Let me back off.

3 I made a mistake there. When I contacted Copp at 0430,  
4 he said everything was under control and he would know better  
5 by 0945 hours. He asked me to stand by, which I did.

6 At 9:00 o'clock, I called Copp and then the only  
7 requirement was for him to give -- for me to assist him in  
8 finding out the phone numbers of the prime minister and the  
9 foreign minister. He said a very senior official will call  
10 them.

11 Q I see.

12 A That was at 0900.

13 Q At this point he didn't have those numbers; is  
14 that correct?

15 A That is correct. He had some numbers, but  
16 apparently they weren't able to get through to them.

17 Q When you called Mr. Second for the first time  
18 and a voice answered on the other end of the phone, did it  
19 identify itself as <sup>any</sup>being any company or was it just a  
20 "hello"?

21 A Just "hello."

22 Q Did that condition obtain throughout your telephone  
23 conversations with him?

24 A During the course of the conversations, it became  
25 clear there was a gentleman by the name of [REDACTED] and later

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1 [REDACTED] and later [REDACTED]. So I reached the  
2 conclusion it was an office or at least a room provided  
3 by [REDACTED] to Copp to accommodate his activities.

4 Q Was that a name already known to you, [REDACTED]  
5 [REDACTED]?

6 A It wasn't at the time, but I checked our files.  
7 It soon became clear [REDACTED] was clearly identifiable  
8 as [REDACTED].

9 Q Did [REDACTED] mean anything to you?

10 A Only from our files. [REDACTED]

11 [REDACTED] The files made it perfectly clear --  
12 [REDACTED] The files made it perfectly clear [REDACTED] was  
13 an arms merchant and [REDACTED] is the company he was working  
14 for at that time.

15 Q So upon review of your files you concluded [REDACTED]  
16 was an arms supplier; is that correct?

17 A That is correct.

18 Q Now following your conversation that you just  
19 described with Mr. Secord where he asked your assistance  
20 on the telephone numbers, what happened?

21 A I stayed [REDACTED] until 1:00 o'clock. At  
22 that time Copp called, Secord called. He advised that  
23 previously the foreign minister had approved an El Al  
24 charter flight before going to Brussels, but he had not signed  
25 the paper.

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1 Now, the morning of the 22 November, the foreign minister  
2 was busy [REDACTED] The  
3 foreign ministry is refusing to issue flight clearances until  
4 after the foreign minister signed the paper. Secord advised  
5 that the plane's departure from Israel's window was 20 minutes  
6 away. [REDACTED]

7 [REDACTED]  
8 [REDACTED]  
9 [REDACTED]  
10 I [REDACTED] pointed out negotiations with the foreign  
11 ministry would be best handled by the charge who could approach  
12 [REDACTED] at the highest level, the foreign minister --  
13 the prime minister and guarantee confidentiality.

14 Q What did Secord say when you suggested that?

15 A He said he would recommend the same to Washington.  
16 I made the same recommendation in a cable to my head-  
17 quarters but was advised not to involve the charge.

18 Q Was any explanation given at that point?

19 A None was given. I assume it was because of the  
20 operation's sensitivity.

21 Q At this point, and I am speaking with respect to  
22 the 1:00 p.m. phone call you just described, you had not met  
23 Secord face-to-face; is that correct?

24 A That is correct.

25 Q Did you have any information with respect to the

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1 nature of the NSC mission at this point?

2 A No, but in discussing [REDACTED]

3 [REDACTED] I asked Secord on what basis I could justify  
4 the urgency of the flight; and he said I was authorized to  
5 use the phrase "humanitarian mission."

6 Q Did he say where he got that phrase?

7 A He did not.

8 Q Was there any other discussion at this 1:00 p.m.  
9 phone call?

10 A With Secord, no.

11 Q Then what happened?

12 A After having reported to Washington and gotten my  
13 answer back not to involve the charge [REDACTED]

14 [REDACTED]  
15 Q [REDACTED]

16 A [REDACTED]  
17 [REDACTED]  
18 [REDACTED]  
19 [REDACTED]  
20 [REDACTED]

21 Q [REDACTED]

22 A [REDACTED]  
23 [REDACTED]  
24 [REDACTED]  
25 Q [REDACTED]

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1           A     [REDACTED] I called Copp, and I updated  
2 him on the foregoing. He said that Washington had agreed to  
3 bring in the charge. It turned out that Copp had some kind  
4 of secure communication with Washington, and it was perfectly  
5 clear he was communicating in advance of my traffic.

6           Q     Let me stop you right there, if I may. How was  
7 it that you knew that he had a secure communications system?

8           A     He told me.

9           Q     Was --

10          A     I am not sure where along the way, but he would  
11 be talking to an American voice in the background. There  
12 was another American back there with equipment, and that  
13 they -- there were messages going back and forth.

14          Q     So that in your phone conversations with Secord,  
15 you would say something to him, and he would relay it?

16          A     I couldn't hear him relay it. I heard him talking  
17 to someone in the background; and later, he would tell me what  
18 Washington said.

19          Q     He was relaying to you what Washington was saying?

20          A     Yes.

21          Q     All right. Sorry to interrupt there.

22          A     Copp said the plane missed its window but was  
23 standing by in Israel.

24          Q     Then what happened?

25          A     Nothing happened then until 4:00 o'clock in the

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1 afternoon. Copp called again, said the plane was airborne,  
2 and had reached the go/no-go point around 1725 -- that is  
3 5:25 -- hours, same day.

4 [REDACTED]  
5 [REDACTED] the ministry of foreign  
6 affairs, [REDACTED] had decided to oppose the clearance  
7 and would recommend the opposition of the clearance, denial  
8 to the foreign minister. [REDACTED] the  
9 political counsellor of the American Embassy, [REDACTED]

10 [REDACTED] the day before visited the foreign ministry  
11 and was told there had been a request for an American urgent  
12 flight to -- [REDACTED] and that he stated he knew nothing  
13 that would justify the mission, because he had nothing in  
14 his channels.

15 Q That is to say [REDACTED] gave this response; is that  
16 correct?

17 A To the foreign minister.

18 Q [REDACTED]

19 A [REDACTED]  
20 [REDACTED]  
21 [REDACTED]  
22 [REDACTED]  
23 [REDACTED]

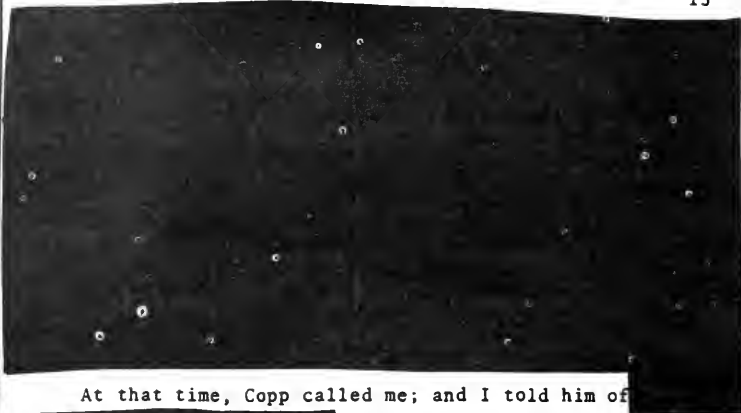
24 Q Now at this point, have you involved the charge?

25 A I have not yet.

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At that time, Copp called me; and I told him of [REDACTED]

[REDACTED] He said he would call the White House and request authority to bring [REDACTED] who was the charge.

Q That is [REDACTED]

A [REDACTED] into the activity.

Q What happened then?

A At this point I received a telephone call on the international circuit from the chief of the European division, Dewey Clarridge. It was a very bad connection, but he was able to convey to me his approval to bring [REDACTED] into the activity.

At that point, I did so. I called [REDACTED] and asked him to stand by at the embassy, which he did. [REDACTED]

[REDACTED] I briefed him on the activity to date and showed him all traffic to date.

Q Then what happened?

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1 A At 5:00 o'clock, [REDACTED] called [REDACTED]  
2 [REDACTED] to get the foreign minister out of the  
3 cabinet meeting. We stood by for the next hour waiting  
4 for the foreign minister to come out of the cabinet  
5 meeting. [REDACTED] called the foreign ministry several times,  
6 [REDACTED] was standing by at the foreign ministry waiting  
7 for the foreign minister to respond.

8 I informed Copp what we were doing. By this time, at  
9 1800 hours -- 6:00 o'clock -- Copp said that the plane had had  
10 to abort and return to Israel. I asked Copp what to do next.  
11 He said he would stand by for instructions.

12 Also, it became clear that the foreign minister was  
13 not going to come out of the cabinet meeting to respond to  
14 our request.

15 Q That is [REDACTED] you  
16 had no doubt about that at that point?

17 A [REDACTED] didn't communicate it, but the foreign  
18 minister's actions clearly indicated he was not going to  
19 appear. He didn't.

20 Q Just not responsive; is that right?

21 A Yes.

22 Q So then what happened?

23 A By 7:00 p.m., the foreign ministry still had made  
24 no decision. Copp at one point in the telephone conversation  
25 noted that the National Security Council was considering how

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1 to recycle the mission. At the very same time, [REDACTED]  
2 advised that the White House requested the phone numbers of  
3 the foreign minister and the prime minister.

4 Q What happened at that point?

5 A I should make one thing clear. On [REDACTED]  
6 request, I asked Washington -- my headquarters -- to find  
7 out if the Secretary of State, Secretary of State Shultz,  
8 was aware of the mission and if he approved [REDACTED] involve-  
9 ment. Messages came back during this period saying the  
10 Secretary of State and Ambassador Oakley were the only two  
11 State officials who were aware of the mission, that they  
12 concurred, and that all traffic should be kept in my channels.

13 Q Let me stop you right there. You made that inquiry  
14 and communication came back to the effect that Shultz and  
15 Oakley were aware of what was happening; is that correct?

16 A That is correct.

17 Q Now --

18 A They were aware of the mission.

19 Q All right. Were aware of the mission. Now who was  
20 it that responded to you?

21 A It was coming from the office of Dewey Clarridge.

22 Q All right.

23 A Throughout this time, and I don't recall which  
24 cables it was that it occurred, Poindexter's name was  
25 frequently mentioned as the person who was in Washington

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1 responsible for heading up the activity.

2 Q Did you have an understanding as to who had apprised  
3 Shultz and Oakley of this mission?

4 A No. If I recall correctly, the cables said,  
5 "Poindexter advises that..."

6 Q So to the extent your belief would be that  
7 Poindexter advised them, it would be based on that cable; is  
8 that correct?

9 A Yes.

10 Q All right. What happened at that point?

11 A About 8:53 p.m. Copp advised that McFarlane was  
12 trying to phone the foreign minister.

13 Q That is Robert McFarlane?

14 A That is correct. McFarlane at that time was in  
15 Europe, had traveled from Brussels, where there had been a  
16 NATO meeting, to Rome.

17 Q And did you learn whether McFarlane ever made that  
18 contact?

19 A Let me make a point just before we get to that.

20 At 10:00 p.m., [REDACTED] called [REDACTED]. He noted  
21 that the foreign ministry meeting had just concluded, but  
22 no decision had been reached. [REDACTED] said the next  
23 step is for [REDACTED] to send a formal diplomatic note to the  
24 foreign ministry. The note should include characteristics  
25 of aircraft, routes to and from [REDACTED] and cargo.

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1           Upon receipt, [REDACTED] said, the foreign ministry would  
2 consider the request. [REDACTED] promised to have the note by  
3 1100 hours on 23 November in [REDACTED] hands. [REDACTED] said  
4 he would be in his office.

5           I informed Copp. He said he would allow time for my  
6 report to reach Washington. Then he would contact them to  
7 discuss the options.

8           At 11:00 p.m., we received a message directing [REDACTED]  
9 to contact [REDACTED] and to note that McFarlane had just  
10 talked with the foreign minister, who agreed to aircraft  
11 clearance.

12           Q     Now receiving this information, what did you do?

13           A     Since it was 11:00 p.m. in the evening, knowing  
14 [REDACTED] officialhood, [REDACTED] and I decided it would be  
15 advisable to wait until the next morning to relay that message  
16 to the foreign ministry.

17           Q     I gather that means they are not night owls?

18           A     Correct.

19           A     So I gather you did then wait; is that correct?

20           A     We did that.

21           Q     Okay. Would you pick up again?

22           A     At opening of business on 23 November, [REDACTED]  
23 and I were still in the embassy. [REDACTED] contacted the

24 [REDACTED] the ministry of foreign affairs,

25 [REDACTED] who was the only foreign

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1 ministry official available at that time -- a senior  
2 official -- and conveyed the above McFarlane message; that  
3 is, that he -- McFarlane had talked with the foreign minister  
4 who had agreed to aircraft clearance.

5 [REDACTED] was not aware of the telephone conversation,  
6 and he opined that a diplomatic note would still be required  
7 from the embassy.

8 [REDACTED] then prepared the diplomatic note and went to  
9 the foreign ministry at 1130 hours on 23 November. He  
10 presented the note to [REDACTED] and [REDACTED]

11 Q Then what happened?

12 A During this period, while [REDACTED] was at the  
13 foreign ministry, I was primarily serving as a liaison  
14 role at that point between Copp and [REDACTED]. Copp called  
15 to advise of a new plan tentatively involving three flights  
16 by two planes to arrive in [REDACTED] between 23 and 27 November.

17 Copp said he was having trouble arranging for the  
18 planes for a [REDACTED] -- for [REDACTED] to Iran link. He said  
19 that the president [REDACTED], a gentleman by the name of [REDACTED]  
20 [REDACTED]

21 Q [REDACTED] is [REDACTED] national airline?

22 A Yes.

23 -- was stalling for some reason. He asked me to inter-  
24 vene if I could. I said that I would try and get back to  
25 him. Also, during that conversation, Copp asked me if I was --

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1 knew what was going on, if I had been briefed. I said that  
2 no, the charge and I were in the dark; but we could make some  
3 guesses. He suggested that we meet immediately, and I  
4 suggested a parking lot at a nearby hotel.

5 Copp and I immediately separately went there. I picked  
6 him up at the front door of the hotel; and he and I sat in  
7 my car and talked around 11:30 for 10 minutes.

8 Q Could you relate the substance of that conversation,  
9 please?

10 A Yes. Copp said his mission was clearly one whereby  
11 missiles are being provided for hostages. I asked what kind  
12 of missiles. He identified Hawk missiles. He noted that the  
13 Iranians with whom they were dealing didn't trust him, that  
14 he was operating under a very tight timeframe, and that he  
15 appreciated anything that we could do to assist.

16 Q Let me go back and see if I can <sup>parse</sup> ~~that~~ that statement  
17 out a bit.

18 With respect to the Copp/Secord observation that this was  
19 a deal involving Hawk missiles, did he tell you how he knew  
20 that?

21 A He did not.

22 Q And the same question with respect to hostages?

23 A He did not.

24 Q Did he identify the hostages as being those in  
25 Lebanon?

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1 A He did not.

2 Q Now the information with respect to the Iranians,  
3 you said that Secord said that the Iranians didn't trust  
4 him. Now who is it the Iranians didn't trust, according to  
5 Secord? Was it him personally?

6 A He did not expand on that. The impression was <sup>they</sup> ~~he~~  
7 did not trust the Americans with whom he was dealing.

8 Q The Iranians did not trust the Americans?

9 A Did not, yes.

10 Q And there was no distinction drawn between  
11 Secord and some other Americans, NSC members, whatever?

12 A No. No.

13 Q Was there more to the conversation then?

14 A Only that I expressed certain views of my own on  
15 the -- on my behalf about how we could better assist him. I  
16 pointed out to him this was the first time we had a chance  
17 to have a secure conversation, so I couldn't have expressed  
18 my concerns earlier.

19 I felt that [REDACTED], on whom he was obviously  
20 relying, was a man whose reputation was such that I did not  
21 think that the present [REDACTED] government would respond to  
22 him; and that based on what I knew about him, based on our  
23 records, he would not have been one we would have selected  
24 to deal with or through.

25 I also pointed out to him that in dealing with foreign

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1 ministries, and getting aircraft clearances, ~~it~~<sup>it</sup> is far more  
2 effective and secure if you do it through the established  
3 channels rather than trying to come at them in different ways.

4 Secord seemed open-minded about this and indicated that  
5 if they got involved in such a thing again, he would contact  
6 us much more in advance and see if we could do a better job  
7 of helping him than we had.

8 That was the end of the conversation.

9 Q Could you recount how it was up to that point you  
10 were determined that [REDACTED] was involved?

11 A Yes. As I noted, his name was cited in different  
12 stages during the course of our conversations.

13 Q By Secord?

14 A By Secord.

15 Q Did he --

16 A Calling him [REDACTED] and [REDACTED]

17 Q Did he tell you what it was that [REDACTED] was doing  
18 for him?

19 A He did not.

20 Q Did he refer to [REDACTED] as being present with him  
21 or how did you gather -- did you determine anything --

22 A It was perfectly clear [REDACTED] was present with him  
23 in the office; and in response to direct questions, Secord  
24 said [REDACTED] had driven him to the meeting with me.

25 Q Thank you. Following this meeting with Secord,

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1 what did you do?

2 A I returned directly to the embassy.

3 Q And upon arriving at the embassy, what happened?

4 A I stood by -- I briefed the charge on what Copp  
5 had told me. He briefed me on his visit to the foreign  
6 ministry, where he had left a note. Both of us then stood  
7 by at the embassy, awaiting the response from the foreign  
8 ministry.

9 By 4:30 p.m., we had received no response. Finally,  
10 at 6:00 p.m., we received a call from [REDACTED] [REDACTED]  
11 told [REDACTED] a decision had been reached by the foreign  
12 ministry; but before conveying the decision, the foreign  
13 ministry would require a second note. It had to contain two  
14 statements:

15 A. The operation had been undertaken for humanitarian  
16 reasons; and

17 B. The operation is to free American hostages.  
18 [REDACTED] said if the note were delivered forthwith,  
19 decision would follow immediately.

20 The implication was the decision would be positive.

21 Q What did you do?

22 A None of the three of us, after consultation with  
23 Copp -- [REDACTED] myself, and Copp -- had any difficulty with  
24 the first point; but we all got hung up on, obviously,  
25 the second point, putting it in writing in a diplomatic note.

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24

1 Copp decided to defer the problem to Washington.

2 Q Was that then communicated to Washington?

3 A Copp said he had communicated the situation to  
4 Washington; and he at the same time advised that McFarlane  
5 had been trying for the past two hours to reach the prime  
6 minister but was not successful.

7 By 7:30 p.m., Copp advised Washington had responded and  
8 that we could anticipate a negative response through my  
9 channels to [REDACTED] request. At this time [REDACTED]  
10 sent a cable recommending an alternate wording concerning the  
11 Part B, concerning American hostages, because he believed  
12 [REDACTED] at this point would accept virtually anything  
13 we recommended.

14 But obviously the patience was running out in Washington  
15 on this point, and we received an answer to [REDACTED] cable  
16 that said -- simply said the charge should deliver a note to  
17 [REDACTED] saying that we regret your government was unable  
18 to fulfil the U.S. government request for this humanitarian  
19 mission.

20 Q That was done, I take it?

21 A That was done. The charge delivered it to the  
22 foreign minister, who was greatly troubled by the tone  
23 and the brevity of the response; but he regretted that [REDACTED]  
24 [REDACTED] had not been able to respond and [REDACTED]  
25 [REDACTED] and hadn't taken -- taken

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25

1 the proper actions to guarantee that appropriate protocol  
2 and [REDACTED] sovereignty were met.

3 Q [REDACTED] let me ask you to take an overview,  
4 if you would, of your discussions with Secord and ask you if  
5 at any point Secord advised you as to why it was that [REDACTED]  
6 had been chosen as a landing point or a clearance point?

7 A The subject never came up.

8 Q Following your conversation with Mr. Secord in your  
9 car, as you have already described, did you take any formal  
10 action with respect to that information?

11 A I did two things. I immediately wrote a round-  
12 up report on what had happened that morning, because given  
13 the timeframe, it would have been the opening of business,  
14 Washington time, 22 November. I sent a cable describing the  
15 developments [REDACTED] on the morning of the 22d; and in  
16 that cable, I referred to the conversation with Secord --  
17 the meeting with Secord.

18 I secondly then sent a cable devoted exclusively to the  
19 Secord conversation reporting it in detail.

20 Q Let me back you up. You have, therefore, two  
21 points at which you are recounting the Secord conversation;  
22 is that correct?

23 A I only noted the first cable that the meeting  
24 took place; and in the second cable, I recounted the  
25 substance.

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26

1 Q When did the first cable go out?

2 A It would have been close to 12:30.

3 Q On 23 November?

4 A On 23 November.

5 Q And then the second cable?

6 A By 1:00 o'clock.



7 Q By 1:00 o'clock. Same day?

8 A Yes.

9 Q Who would those have been directed to?

10 A All traffic was handled on one channel. That was  
11 the eyes-only channel, the chief of the European division.

12 Q Let me ask you just a little more generally, you  
13 have served in Washington -- how do these cables express  
14 themselves when they come in on the Washington side? Is there  
15 a screen they appear on? Do they churn out on a teletype?

16 A No. This is a privacy channel. It is designed  
17 to permit the exclusive communication between the <sup>C/S</sup> chief   
18  and the chief of division. As I recall it, a copy --  
19 one copy goes to the chief of European division; two copies  
20 go to the Office of the DDO; and there is no further  
21 distribution.

22 It is completely outside of the normal records-keeping  
23 procedure.

24 Q But how do these messages appear? Are they in  
25 solid, hard copy? As the expression goes?

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27

1           A       Yes. They would be hard copies delivered to the  
2 office of the chief of European division or the DDO in  
3 envelopes.

4           Q       Does the DDO or the chief, say in this case of the  
5 European division, have an officer who stands by and reads  
6 these things as they come in?

7           A       His secretary would open the envelope, see that it's  
8 slugged for the chief of European division, and deliver it  
9 to him exclusively. If he wants to share it, he decided.

10          Q       These two messages that you sent, I gather, were  
11 sent to the chief of the European division and then office  
12 of DDO; is that correct?

13          A       All of this communication went to the chief of  
14 European division with info copies to the DDO. Whether  
15 the DDO ever sees it or not, I don't know. That would depend  
16 on a screening procedure by his staff assistant.

17          Q       You wouldn't necessarily know that unless  
18 the DDO responded to you and referred to it?

19          A       That's correct.

20          Q       Having sent off these two cables, did you receive  
21 any response to them?

22          A       I can recall no specific response that was required  
23 in these two. No, I can't.

24          Q       You received -- did you have subsequent communica-  
25 tions with Duane Clarridge's office?

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28

1           A     Yes. All this traffic was to and from. Anything  
2 I received from Washington that was giving me my instructions  
3 would be from Clarridge.

4           Q     There was no response commenting on those particular  
5 cables in particular -- those particular cables?

6           A     I recall none dealing with my conversation with  
7 Secord. I recall none dealing with what was contained in my  
8 round-up report.

9           Q     Now I gather that you also informed the charge,  
10 [REDACTED] that -- of your conversation with Mr. Secord?

11          A     I did that. He and my deputy.

12          Q     Did he also send any communications to your  
13 knowledge out to the State Department in Washington?

14          A     I have no knowledge whatsoever that he sent any  
15 communications through his channels to the State Department.  
16 I would doubt it very much, or he would have told me that he  
17 had.

18                When the operation finished, what he did do is draft  
19 a cable from himself, if I recall directly -- it was to  
20 Poindexter. It was [REDACTED] telegram. He expressed  
21 his concerns about the way the entire operation had been  
22 handled. I think that I concurred fully with everything that  
23 he said, and it went to Washington.

24                I know nothing from him other than that that went through  
25 our channels.

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29

1 Q That is through your communications [REDACTED]?

2 A That is correct.

3 Q In your communications with Duane Clarridge, did  
4 you reach any understanding at any point as to whether  
5 Clarridge was handling this alone or whether he was handling  
6 it with someone else?

7 A We didn't discuss it.

8 Q You were aware that it was an NSC mission. Were  
9 you told at any point who in the NSC was handling it?

10 A The only name mentioned was Poindexter and, of  
11 course, Secord on my end. And McFarlane, of course, was  
12 in Europe.

13 Q Have you ever discussed this matter with Duane  
14 Clarridge?

15 A No, I have not. I haven't seen him since the occa-  
16 sion occurred.

17 Q I am not going to have this marked for the  
18 record, but let me describe it for the record.

19 This is a cable dated December 4, 1986. It is addressed  
20 to "Immediate Director." Subject is "[REDACTED] support to  
21 NSC Mission, 22-27 November 85."

22 The cable comprises four pages with a total of six  
23 paragraphs.

24 [REDACTED] I show you that cable now and ask you if  
25 you recognize that?

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1 A Yes. I drafted it.

2 Q What is it precisely?

3 A It is my response to a query from the CIA's  
4 inspector general for commentary on [REDACTED] activity in  
5 connection with the NSC mission described.

6 Q Have you had an opportunity to review that cable?

7 A Yes, I have.

8 Q Is that cable an accurate description of your  
9 involvement in the NSC mission?

10 A Yes, it is, with certain minor discrepancies.

11 Q If you can pick out any of those minor discrepan-  
12 cies, would you do so and note them for the record?

13 A Yes. The primary one is I identified [REDACTED]  
14 as being an employee of [REDACTED]. He is not an employee of  
15 [REDACTED]. He is an officer of [REDACTED]. Both are arms firms.

16 That would be the major discrepancy.

17 Q Following this, did you ever have any other  
18 dealings with Secord?

19 A No, I have not.

20 Q The two cables that you referred to that you issued  
21 on 11/23 at 12:30 and 1:00 p.m., to your knowledge do they  
22 exist in any form?

23 A The first cable containing the general round-up,  
24 wind-up, round-up, does exist. I cannot find the second  
25 cable.

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1 Q Do you know why that is?

2 A I have no idea. There are other cables missing.  
3 We don't have a completely comprehensive file of all traffic;  
4 but that's because of the nature of the channel used. It is  
5 outside and is designed to be outside the records-keeping  
6 system.

7 Q And I gather that a record is not kept at your  
8 [REDACTED] is that correct?

9 A No. As I noted in that incoming round-up for the  
10 inspector general, in December 1985, I destroyed all copies  
11 of all traffic including my [REDACTED] file.

12 Q Does your information on [REDACTED] indicate whether it  
13 has any connection to Adnan Khashoggi?

14 A No. ~

15 Q One way or the other?

16 A No. We have very limited information on [REDACTED]

17 Q I also gather that Secord did not at any point  
18 identify to you any of the individual persons on the Iranian  
19 side of this transaction; is that correct?

20 A He did not.

21 Q Did he at all describe to you how it was he became  
22 involved in this?

23 A He did not.

24 Q Did he tell you anything about how long he had been  
25 involved in it?

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1           A       He did not. I didn't even know he was not a  
2 member of the National Security Council staff.

3           Q       Did you assume that he was at that point?

4           A       All I knew he was on special assignment to the  
5 National Security Council. I assumed he was working for the  
6 staff. I didn't know he wasn't.

7           Q       Did he tell you that he wasn't?

8           A       No, he didn't.

9           Q       I gather he made no remarks about he had been called  
10 in on short notice or anything like that?

11          A       Nothing.

12          Q       Did he provide you with any information on who  
13 might be his contacts in Israel?

14          A       He did not.

15          MR. WOODCOCK: I guess that is all I have.

16          Tom, do you have any questions?

17          MR. SMEETON: Maybe just a couple. I haven't seen the  
18 material you have there. If I am redundant, interrupt me.

19          EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

20          BY MR. SMEETON:

21          Q       With respect to these cables that you sent back to  
22 headquarters regarding the shipment, as I recall you indicated  
23 that Mr. Secord told you that weapons were involved.

24          A       When I talked with Secord, he told me explicitly  
25 that it was Hawk missiles.

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1 Q That information was then reflected in one of  
2 those two cables that were sent back to headquarters in  
3 Washington?

4 A Yes.

5 Q Was there any suggestion of a cover story indicating  
6 that you should tell [REDACTED] it was oil drilling  
7 equipment rather than weapons at any time?

8 A No. I was given no authorization to tell [REDACTED]  
9 [REDACTED] what the equipment was. I was only told that it  
10 was -- just say it was for a humanitarian mission.

11 Q Do you have any insights as to why oil drilling  
12 equipment might be mentioned as a possible cover story?

13 A No. I only heard of it from the media subsequently.

14 Q After the fact?

15 A Right.

16 Q You never heard about it in the context of any  
17 of these discussions regarding the operation?

18 A That is correct.

19 Q With respect to [REDACTED] or any other arms man-  
20 facturer [REDACTED] did the name Tom Clines ever come to  
21 your attention?

22 A No.

23 MR. SMEETON: I think that's all I want to say.

24 MR. WOODCOCK: I have just one more question.

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1 EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

2 Q [REDACTED] other than Duane Clarridge, was  
3 anybody else in his office involved in this, to your knowledge?

4 A I have no knowledge of that.

5 Q I gather then that you received no cables back  
6 from anybody else with anything other than Clarridge's name  
7 on it; would that be right?

8 A That would be correct. If anyone else sent it  
9 in that channel, they would have to indicate to me that it was  
10 someone acting in his capacity; and I did not see that.

11 Q So all channels coming from the Washington side  
12 were coming under Clarridge's signature; is that correct?

13 A Yes. Under the slug that indicates it's him  
14 talking. Procedure would require if someone else was, it  
15 would be -- they would put the slug and said, "From Acting  
16 Chief Eur."

17 Q Now did your deputy chief [REDACTED] become involved  
18 in this to any great degree?

19 A Only marginally. I had him, if I recall, only write  
20 one cable. He may not even have read all the traffic; but  
21 I did discuss some of the traffic with him.

22 Q Did he ever have any conversations with Secord?

23 A He did not. I handled all communications by  
24 telephone, plus the one meeting.

25 Q Would that also apply to [REDACTED]?

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35

1 A That would be true.

2 Q So to your knowledge, you would have been the only  
3 U.S. government person [REDACTED] dealing directly with  
4 Secord on this matter?

5 A That is correct.

6 MR. WOODCOCK: Well, I think that concludes my questioning.

7 MR. SMEETON: Just a followup regarding your mentioning  
8 of the apprising of State Department, specifically Mr.  
9 Shultz and Mr. Oakley.

10 EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

11 BY MR. SMEETON:

12 Q As I recall, at [REDACTED] request, you were  
13 asked if you would determine who within the State Department  
14 was so apprised; and you learned it was Mr. Shultz and Mr.  
15 Oakley and nobody else in the Department of State?

16 A That is correct.

17 Q And did you get the impression that Mr. Shultz and  
18 Mr. Oakley would okay such a transaction or just that they  
19 were apprised?

20 A I think that my impression was the cable was  
21 drafted in such a way as to indicate that they approved of  
22 [REDACTED] actions, that they knew of the mission that was  
23 happening.

24 MR. SMEETON: Okay.

25 [REDACTED] I have a point to clarify, if I may.

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1 EXAMINATION ON BEHALF OF THE CENTRAL INTELLIGENCE AGENCY

2 BY [REDACTED]:

3 Q [REDACTED] if you would, since this has been  
4 discussed on the record, you indicated that there was one  
5 discrepancy which you corrected. Would you just take a quick  
6 look at this and tell me if you found any other discrepancies  
7 that you could correct for the record right now.

8 A The only other discrepancy I know, also the  
9 phrase [REDACTED] is used in the second place is here. That  
10 should also read [REDACTED]

11 Q And you are satisfied that is accurate, looking  
12 again at your cable?

13 A Yes, I am.

14 [REDACTED]: That's all.

15 [Whereupon, at 3:30 p.m., the deposition was concluded.]

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CIA COMMUNICATOR

DEPOSITION OF [REDACTED]

Monday, July 13, 1987

United States Senate

Select Committee on Secret

Military Assistance to Iran

and the Nicaraguan Opposition

Washington, D. C.

Deposition of [REDACTED] called as a

witness by counsel for the Select Committee, at the

offices of the Select Committee, Room SH-901, Hart Senate

Office Building, Washington, D. C., commencing at 1:25

p.m., the witness having been duly sworn by MICHAL ANN

SCHAFFER, a Notary Public in and for the District of

Columbia, and the testimony being taken down by Stenomask

by MICHAL ANN SCHAFFER and transcribed under her

direction.

Partially Declassified/Released on 21 JAN 88  
under provisions of E.O. 12356  
by K. Johnson, National Security Council

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1       **APPEARANCES:**

2               On behalf of the Senate Select Committee on Secret

3       Military Assistance to Iran and the Nicaraguan

4       Opposition:

5               CHARLES KERR, ESQ.

6               Counsel

7               THOMAS POLGAR

8               Investigator

9               On behalf of the House Select Committee to

10      Investigate Covert Arms Transactions with Iran:

11              JACK TAYLOR

12              Investigator

13              On behalf of the Central Intelligence Agency:

14              R. BRADFORD STILES, ESQ.

15              Attorney Advisor

16              DAVID PEARLINE, ESQ.

17              Office of Congressional Affairs

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## C O N T E N T S

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EXAMINATION ON BEHALF OF

3

WITNESS

SENATE

HOUSE

4

5

By Mr. Kerr

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By Mr. Taylor

101

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By Mr. Kerr

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## E X H I B I T S

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EXHIBIT NUMBER

FOR IDENTIFICATION

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4

**PROCEEDINGS**

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Whereupon, 

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called as a witness by counsel on behalf of the Senate Select Committee and having been duly sworn by the Notary Public, was examined and testified as follows:

**EXAMINATION****BY MR. KERR:**

Q Could you state your full name for the record, please?

A 

Q  what position do you hold with the

CIA?

A I'm with the Office of OC.

Q And for those of us that are not initiated?

A The Office of Communications. **UNCLASSIFIED**



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*Pages 5, 6 and 7*

*DENIED IN*

*TOTAL*

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Q With regard to your staff, how many subordinates do you have?

A At that time I had two.

Q And in the period through the end of November-early December, 1985, what were the names of the two employees?

A One gentleman was named [REDACTED]  
[REDACTED] He has since retired. The other gentleman is named [REDACTED]

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Page 7

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Q With regard to the period November 22, 23, 24, 1985, can you tell me who the communications duty officer was? Let's back it up and start with November 22.

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1           A     The period in question, to the best of my  
2     recollection, [REDACTED] got called in originally by a  
3     Flash message. He was called in. It was Friday evening  
4     or early Saturday morning. The initial call was a Flash  
5     message for [REDACTED] to have the [REDACTED]  
6     come in [REDACTED] and remain [REDACTED] for  
7     sensitive traffic or need-to-see traffic.

8     [REDACTED] then stayed -- well, the  
9     communication center stayed open that night. He stayed  
10    there. I went in the next day.

11           Q     That would be the morning of the 23rd?

12           A     Yeah, the Saturday. I went in the next day  
13     and found out what was happening. And then I worked the  
14     Saturday.

15           Q     When you say "worked" --

16           A     I stayed there.

17           Q     All day?

18           A     The majority of the day.

19           Q     When did you go home?

20           A     It was [REDACTED]

21     [REDACTED] around that time frame. To my knowledge, [REDACTED]

22     [REDACTED] then came in.

23           Q     Let me stop you. When you say he came in, did  
24     he come in [REDACTED] to relieve you?

25           A     To relieve me, at which time I told him that

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1 there was a lot of things happening, that we didn't know  
2 how long it was going to go, if he had to stay in at any  
3 length to give me a call and I'd come in and relieve him  
4 so he wouldn't have to stay there all night.

5 [REDACTED] more or less at this time was  
6 taken out of the picture. [REDACTED] was on his  
7 retirement tour and he wasn't -- he didn't have the  
8 necessary qualifications, more or less. He wasn't that  
9 qualified to operate the gear. He was from the old  
10 communicators. [REDACTED]  
11 [REDACTED] we resorted to more or less a sure thing.  
12 We didn't want anything to snag because of the stuff that  
13 was being passed.

14 Q Okay. I'm with you. So [REDACTED] got the  
15 original call?

16 A He was there originally and stayed until I  
17 came in and relieved him.

18 Q That Saturday morning. But from that Saturday  
19 morning when you came in he basically --

20 A He was out of the picture, more or less.

21 Q Was he in [REDACTED] or was he back at home?

22 A No. He went home.

23 Q So on Sunday, the 24th --

24 A I stayed in. Well, I worked Saturday. I  
25 worked Sunday. I worked the day Sunday and [REDACTED]

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1 came in and relieved me again. That's when I told him if  
2 it went on to have him call me and I'd come in and  
3 relieve him so he wouldn't have to work all night.

4 Q So that conversation was Sunday?

5 A The last day when this operation shut down.

6 Q So let me back up. On Saturday you would have  
7 come in when, approximately [REDACTED]?

8 A Yeah, to open up [REDACTED]  
9 [REDACTED]

10 Q And you would have stayed on duty until when,  
11 [REDACTED]?

12 A Well, normally we would have been on duty --  
13 on a normal Saturday we would be gone by [REDACTED]  
14 What we do on Saturday is we come in, pull the traffic  
15 for the Chief [REDACTED] He reads it, and we go home,  
16 normally.

17 Q But on that Saturday, the 23rd?

18 A Well, we were going on this per directive by  
19 the Chief [REDACTED] He wanted us to remain open 24  
20 hours until further notice.

21 Q I'm with you. You actually stayed [REDACTED]  
22 [REDACTED] though, on the 23rd until what time?  
23 Were you there all day?

24 A Most of the day, yes, sir. I can recollect  
25 most of the day Saturday and Sunday. I sent a message in

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1 response to somebody's thing about the times, and I can't  
2 honestly remember that far back -- the time frame.

3 MR. POLGAR: These are the dates and days that  
4 we are speaking of.

5 THE WITNESS: Okay.

6 MR. POLGAR: And I wonder if your memory  
7 doesn't trick you when you see on Saturday, and in fact  
8 it may have been on Friday.

9 MR. TAYLOR: And this is the first cable and  
10 you see the time on there.

11 THE WITNESS: Is that Friday? That was Friday  
12 night.

13 MR. TAYLOR: What does it say?

14 THE WITNESS: 22nd, Friday morning. Okay.

15 MR. POLGAR: So it is really here on this  
16 Friday that it started.

17 THE WITNESS: Okay, that it actually started.  
18 Okay.

19 BY MR. KERR: (Resuming)

20 Q Let's back up. Let me tell you what we're  
21 going to do here to keep things together. Let me show  
22 you two cables. One is to the Chief [REDACTED] The  
23 other is to the Deputy Chief [REDACTED] You can work on  
24 that one if you like. It's Director 624839 and 939,  
25 which I would like to have marked [REDACTED] Exhibits 1 and 2.

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1 (The documents referred to were  
2 marked [REDACTED] Exhibit Numbers 1 and 2  
3 for identification.)

4 (Pause.)

5 Let's try to focus in your recollection. It's  
6 been a long time ago, and you've talked to a lot of  
7 people about this, so let's start with the paper. We've  
8 got the first cables, what appears to be the first  
9 cables, with what you've described as the Flash message  
10 which came in on the early morning hours of the 22nd;  
11 correct?

12 A You're right.

13 Q Using that as a way to kind of focus your  
14 recollection, the person on duty at that time would have  
15 been [REDACTED]

16 A Yeah. He had the duty. He got called in.

17 Q So he would have been called in in the early  
18 morning hours of the 22nd, correct?

19 A Yes, sir.

20 Q You would have gotten the call to come in at  
21 your normal arrival time?

22 A See, this happened Friday morning. [REDACTED]  
23 came in [REDACTED] early Friday morning, Friday being a  
24 normal day. Then me and [REDACTED] comes in and works  
25 Friday.

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1 Q And you would have come in [REDACTED]

2 [REDACTED] ?

3 A Yeah. I come in usually [REDACTED]

4 [REDACTED] even when there was three people. Normally at  
5 that time I worked from [REDACTED] and the other two  
6 people, one would work early to [REDACTED] and the other  
7 one would work from [REDACTED].  
8 That's the way we broke it up, and I stayed in the  
9 center, more or less.

10 Okay. Then [REDACTED] would have come in.  
11 He would have been there until we reported in. Then I  
12 would have sent him home because he'd been there all  
13 night. He sat there. He told me he got called in and  
14 all. I sent him home.

15 Then because -- what possibly happened is then  
16 I sat there and worked Friday. [REDACTED] would have  
17 worked the midwatch Saturday. Then I sat there, came in  
18 Saturday and worked the day and [REDACTED] came in to  
19 relieve me on the eve watch because we had a feeling or  
20 were more or less told, you know, it was going to be  
21 winding down.

22 Then if it stopped, if it did cease, Saturday  
23 afternoon, which I think it did, then he came and  
24 relieved me in the afternoon, [REDACTED] somewhere  
25 around there. And I told him if it went late I wouldn't

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1 make him stand the midwatch; I'd come in. And he called  
2 me up and said -- you know, he got secured by the Chief I  
3 think [REDACTED] at night. I think.

4 Q [REDACTED] Saturday evening?

5 A That Saturday evening. I think so, to the  
6 best of my recollection.

7 Q Let me just go back and pick up on it again.  
8 Let's take you to Saturday, the 23rd. Between the hours  
9 of [REDACTED] that morning and [REDACTED] evening, who  
10 would have been on duty?

11 A Myself most likely.

12 Q [REDACTED] would have been on duty up until  
13 [REDACTED] that morning?

14 A Yeah. He more or less stood the midwatch  
15 during the night.

16 Q And then you would have relieved [REDACTED]  
17 [REDACTED] in the morning?

18 A Right. It would have been [REDACTED]  
19 [REDACTED] maybe even earlier.

20 Q And you would have stayed on duty until [REDACTED]  
21 [REDACTED] the evening?

22 A Till I sat there and told him just come in on,  
23 actually, [REDACTED] something like that.

24 Q [REDACTED] would have come in, then, [REDACTED]  
25 Saturday evening and stayed on duty until --

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1 A Until he was secured.

2 Q And when you say "secured" that means the  
3 Chief [REDACTED] told him --

4 A Until the Chief [REDACTED] told him he could  
5 go, that he was no longer to maintain the circuit, to the  
6 best of my knowledge.

7 Q That's fine. In terms of just to help me  
8 figure things out, what is a Flash message?

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18 A Flash message  
19 is the precedence, the rapidity that they need an answer  
20 by, acknowledgement by. When you had to sit there and  
21 acknowledge them within a certain time frame, when you  
22 open up, even if you don't acknowledge, they will keep  
23 resending it over and over again, which might be the  
24 case.

25 You've got to -- no, you don't. This one is

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1 for the DC [REDACTED] But a Flash message just means it's more  
2 or less like urgent.

3 Q Got you. Okay. Let's talk a little bit about  
4 some procedural things.



18 BY MR. KERR: (Resuming)

19 Q Let me proceed with a couple other things.  
20 Let's talk about the time that you were on duty during  
21 this weekend. I need a clear picture of how these kinds  
22 of things work. When you had a message from the Chief [REDACTED]  
23 [REDACTED] to transmit to headquarters at Langley, how does  
24 that message come to you? Is it written out by the Chief  
25 [REDACTED] typed up by a secretary? How does it

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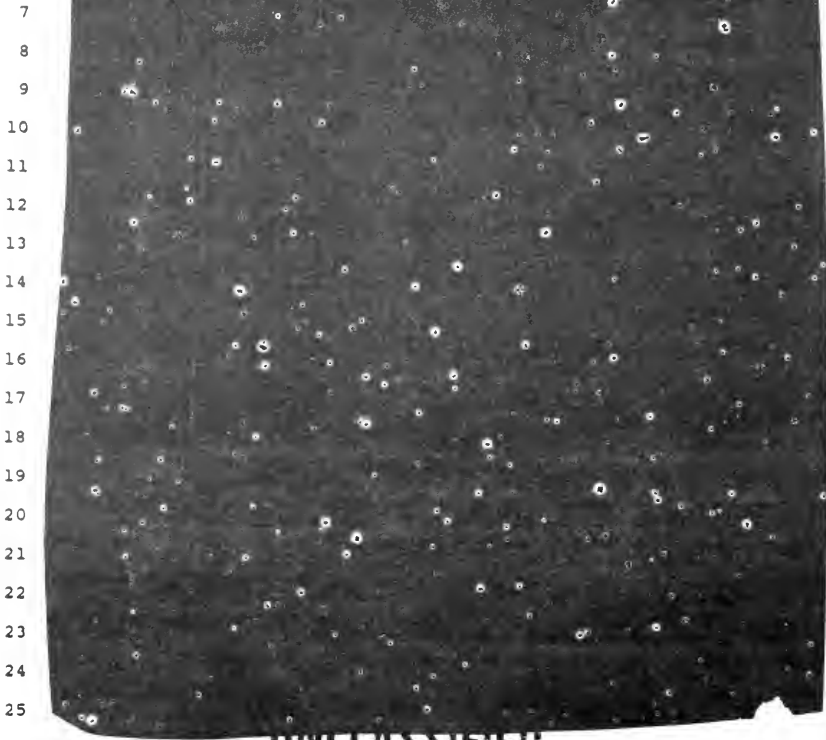
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1 actually come to you to transmit?

2 A I'd say primarily 100 percent of the time --  
3 there has been a couple of times that we have literally  
4 typed it, but almost 99 -- the majority of the time it's  
5 typed. The secretary types the message in a format, if  
6 you will.

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6 Q Do you have any recall of mechanical problems  
7 you were having with the equipment on the 22nd or 23rd?

8 A No.

9 Q Your recollection is the equipment was working  
10 the way it was supposed to work?

11 A Right. Even if it was handwritten, which I  
12 can't recall getting anything handwritten at that time,

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21 Q In terms of whether a simple typed document  
22 was used or something that had been processed through the  
23 [REDACTED] was used, were there situations where the Chief, [REDACTED]  
24 [REDACTED] would use one mode as opposed to another, i.e.,  
25 did he sit down with his typewriter and type things out

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1 from time to time?

2 A Not off the record, but to my recollection I  
3 don't think my Chief [REDACTED] knows the proper format  
4 to put it in, so he couldn't sit there and type it on his  
5 typewriter.

6 Q That makes sense. And in terms of the way he  
7 normally worked during that period of time, when you  
8 became familiar with it, would he dictate these cables to  
9 his secretary?

10 A I don't know.

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BY MR. KERR: (Resuming)

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Q So, turning back [redacted] that is not what  
you recall doing with your Chief [redacted]

A No, I really don't. [redacted]

Q Now with regard to what you fed into the [redacted]  
equipment, was it your custom to read what you were  
feeding in before you fed it in?

A [redacted]

you know, you scanned it. And okay, you yourself have to  
figure that it's human nature if you are going to be  
sitting there working on 24 hours you are going to sit  
there and look at what the heck you're passing, that's  
making you stay there keeping the place open for two and  
a half days, because somebody may be requesting more  
bourbon or whatever. You want to know just why you had  
to disrupt your time.

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1                   So even if the machine was functioning  
2 correctly, once it sat there and went through it and it  
3 was processing [REDACTED] you know, you are going to  
4 sit there and pick it up and read the copy that just went  
5 through [REDACTED] while it was processing.

6                   Q     So in terms of the way that certainly you  
7 would have been doing business on the 22nd and 23rd in  
8 all likelihood you would have read the cable traffic that  
9 you were sending out?

10                  A     Of course.

11                  Q     Now with regard to the hard copy, whether it's  
12 produced by [REDACTED] or by the secretary's typewriter  
13 that you used to feed [REDACTED] what did you do with  
14 it once the machine had been fed? Was it immediately  
15 destroyed? Was it catalogued somewhere?

16                  A     No, no.

17                  Q     What did you do with it?

18                  A     Okay. The copy that went through [REDACTED]  
19 that copy that went through [REDACTED] it got thrown in the  
20 trash, more or less, to be shredded. Then [REDACTED]  
21 itself, when it sends out the message it gives you an  
22 outgoing copy, formatted copy, with the message numbers  
23 and everything of the message that it sent. That copy  
24 there then gets tore off and it is given to the front  
25 office [REDACTED]

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Okay. Then the message that we put through  
we then -- well, we periodically just get the  
stuff that's in there, take it outside the door, and we  
have a shredder and we shred the stuff. We  
don't want a big pile-up.

Q Let me back up so I understand. When  
generates its hard copy message, that has the appropriate  
identifying numbers on it, correct?

A Right.

Q So you take that back to the secretary;  
is that right?

A We just give it -  
and if the secretary was there it would be given to  
her, yes, sir.

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Q So your system does have a memory function?

A Sure does.

Q Now if you had received something that had not been produced on word processing equipment but had been produced by a typewriter, would memory unit retain --

A It retains everything that is sent -- everything.

Q So if it went out it would be in your system even though it would not necessarily be in system, correct?

A That's right.

Q In terms of materials that are stored in the system, do you have what I would call a document retention program, a program by which you dump that memory on a regular basis?

A I sure do.

Q What is that?

A Five days maximum.

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Q Let me back you up. With regard to your document retention program and the way you work with your machine, its memory, its disk, got eliminated every five days; is that correct?

A Yes, sir.

Q Was there any system that you were responsible for to maintain messages either in hard copy form or some other electronic format?

A That is illegal -- not illegal but it's not a

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1 practice any more. We've been directed no paper, no  
2 files. That's the big thing.

3 Q We know that there's hard copy that's  
4 generated at several steps along the way. I just want to  
5 trace that. We know something comes from the secretary  
6 or [REDACTED] machine.

7 A Okay. The hard copy that gets brought [REDACTED]  
8 [REDACTED] be it made, how it was produced, once  
9 that gets fed through [REDACTED] that copy then  
10 systematically gets shredded.

11 Q Gets destroyed?

12 A That's it. We don't need it any more.

13 Q We also know that your [REDACTED] machine generates  
14 a hard copy.

15 A That copy, that hard copy, that it gives with  
16 the message numbers, the message addressees, the date,  
17 time group and all that gets sent [REDACTED] to  
18 the [REDACTED] secretaries. They in turn log it on their  
19 machine.

20 Q Electronically?

21 A Electronically, if it was from the [REDACTED] If  
22 in fact this wasn't from the [REDACTED] then the secretary  
23 would then hand it to the originator, which would have  
24 been [REDACTED] But if she did log it to [REDACTED]  
25 system [REDACTED] then she'd take that copy, the hard

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1 copy, and she'd put it in her burn bag for eventual  
2 shredding in their shredding machine.

3 Q So the practice would be that the hard copy  
4 generated by [REDACTED] after it's used for reference  
5 purposes by the secretary, would be destroyed likewise?

6 A That's the way it should be. That's the way  
7 it should be. That's not the way it is followed by many  
8 people.

9 Q That's what I assume. Now let's talk a little  
10 bit about [REDACTED] around Thanksgiving time in  
11 1985. With regard to your end of the process, was it  
12 your procedure, your standard operating --

13 A I did not change my procedure because this  
14 happened.

15 Q What was your procedure? Your procedure was  
16 to do what you have just described?

17 A Five days and that was it.

18 Q That's the electronic dump on the hard copy?

19 A The hard copy, I sat there and destroyed  
20 everything that I got. I was not told differently.

21 Q And you didn't have any separate files that  
22 you kept?

23 A No, sir.

24 Q No hard copy files?

25 A No, sir.

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1           Q    In terms of your knowledge about the Chief [REDACTED]  
2           [REDACTED] shop and what his secretary did with it, did  
3           you have knowledge of what she did with it?

4           A    No, I don't.

5           Q    So nothing was described to you as to what her  
6           system was?

7           A    No, sir.

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1 BY MR. KERR: (Resuming)

2 Q Let me pursue that thought a little bit  
3 further. First, before I do that, the name of the  
4 secretary at that time was what? Who was his secretary?

5 A [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 A [REDACTED] was not the Chief

11 secretary. I believe she had -- I believe she had the  
12 duty during this period, I believe.

13 Q What was her title at that point, or her  
14 function?

15 A She was the DO [REDACTED] secretary. I can't  
16 remember the girl's name that was the Chief  
17 secretary. [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 [REDACTED]

21 Q But [REDACTED] had the Thanksgiving weekend duty?  
22 Is that the way it was?

23 A I think so. Well, I can't say for sure. The  
24 only thing I can go by is by my knowledge. I don't  
25 remember. Somebody mentioned to me before I left that

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1 they should sit there and ask [REDACTED] to come in,  
2 because she was the one here.

3 Q I think that's a damn good idea.

4 A I don't know. I can't remember. I really  
5 can't. If I sat there and said yes, she was there, I  
6 would be having somebody influence me that she was there.  
7 I can't remember.

8 Q You don't remember who it was that was doing  
9 the typing that weekend is what you are telling me.

10 A No, I can't. I really can't.

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1 [REDACTED]  
2 [REDACTED]  
3 [REDACTED]  
4 [REDACTED]  
5 Q Let's take the last leg, when it gets to  
6 headquarters at Langley. Do you have any familiarity  
7 with the record retention and distribution system there?

8 A No, sir. I have never had the pleasure to  
9 work there. I hope to never have the pleasure. I'm  
10 being honest.

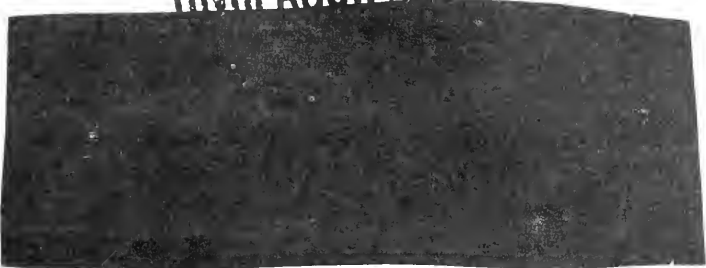
11 Q Okay. That is fine. Let me pick up on a  
12 couple of other things. With regard to that message that  
13 you send, how is it that you know that it has been  
14 received, if you do? Let's say the Chief [REDACTED] has  
15 a cable.

16 A Okay. It would be my feeling that because of  
17 the contents of the stuff that was going on at this time  
18 and because it dealt with the problems with the plane  
19 landing [REDACTED] then we were requesting from  
20 Washington acknowledgement that they got this traffic.

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7 Q Does that have a Director's cable number?

8 A No, no. It's a service. It's just a little  
9 bitty line



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17 That's it, just one little line.

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19 Q Now let me back up so that I understand. That  
20 would be true automatically with a Flash message; is that  
21 right?

22 A With a Flash message I think you are correct.  
23 It is automatically generated by the [redacted] if it  
24 is sent by Flash.

25 Q And the turn-around time on an acknowledgement

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1 from [REDACTED] to Langley is what, for a Flash message?

2 A Normally it's almost instantaneous, [REDACTED]

3 [REDACTED]

4 [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 Q So if you sent a Flash message to Langley for  
8 the Chief [REDACTED] you would, during this time period,  
9 have gotten back an acknowledgement very quickly?

10 A Just from the message center, not from the  
11 person now. We should have, yes.

12 Q But what that tells you is that it got to the  
13 message center and it was readable -- didn't get lost in  
14 the ether somewhere.

15 A What it would mean is they got it. If it was  
16 sent Flash, they got it. [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 [REDACTED]

21 [REDACTED]

22 [REDACTED]

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Q Let me show you as an example a cable from the  
22nd of November, which will be marked as [REDACTED] Exhibit 3.  
It's [REDACTED] from November 22 at 1423 hours.

(The document referred to was  
marked [REDACTED] Exhibit Number 3  
for identification.)

(Pause.)

If you look at that cable I'm not particularly  
interested in terms of the substance of it, what it is,  
but this is a cable that would have gone out of your  
shop?

A Yes, sir.

Q Let me have you walk through with me what this  
really tells me.

A [REDACTED]

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Q Let's go through it. This one says Secret-Flash, and your understanding of the procedure is a Flash message would require an automatic acknowledgement.

A My knowledge, what I've been told, is the computer here at headquarters signals center automatically generates the receipt for the Flash message.

Q This one says Eyes Only. Now what's Eyes Only mean?

A That means only Chief/EUR is supposed to get this message.

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Q But in terms of the mechanics of what you do, it doesn't make any difference to you?

A No, sir.

Q You send the same way?

A That's right.

Q And essentially what it does is it talks about the way the message is going to be distributed; is that correct?

A It is instructions for the destination.

Q So when you receive an Eyes Only message, that doesn't mean anything different in terms of your technology?

A No.

Q

A It's just how it's distributed

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We can control it at our end, and we can't control it at the destination. Now we send Eyes Only messages to headquarters, [REDACTED] anyplace. We have no say how it gets distributed there.

Q I've got you.

A We have done our thing. We send it out. It does not get sent out anyway different.

Q That's fine. Now let me take one step back to the secretary's office. With regard to Chief [REDACTED]

[REDACTED] and the practices of his secretarial staff with regard to [REDACTED] equipment that they have, do you have any knowledge of what document retention programs his office utilized?

A They normally -- they sit there and they reinitialize [REDACTED]



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Q She dumps the [redacted] and prints over?

A No, no. She doesn't do all of them. She'll go in. What happens is they make the people clean up their files. They should do it voluntarily. If not

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1 voluntarily, she goes in and does it. She's the only one  
2 that can go into everybody's file, the system  
3 administrator, who is actually the Chief [REDACTED]  
4 secretary. She's the only one that has access to  
5 everybody's file.

6 She in turn can go in. Your files are getting  
7 too big. You are slowing down the system. Take some of  
8 that junk that you have there, you know, for six months,  
9 eight months, or I'm going to just arbitrarily go in and  
10 do it. She does that. She's a good SA.

11 The procedures that was held during this time  
12 frame and the procedures that has been held by him down  
13 there I have no idea. You know, I cannot truthfully sit  
14 here and say it's not in his file right now. You know, I  
15 can't say that because I don't have access to it.

16 Q Do you have any knowledge even by way of an  
17 approximation on what kind of cycle they were on to clean  
18 [REDACTED]

19 A No. If you do in fact talk to [REDACTED]  
20 she'd know because she was the SA at that time.

21 Q Just so that I've exhausted the places where  
22 records might be kept, am I correct that the [REDACTED]  
23 would be the place [REDACTED]

24 A To my knowledge, if I'm not mistaken, it is.  
25 There's one, which I believe is the [REDACTED], where all

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1 the people's records are.

2 Q Do you know of any other storage system that  
3 would retain either all or portions of what goes into  
4 [REDACTED]

5 A They have actual paper files there.  
6 [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
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Q Now the person that would be responsible, just so I'm perfectly clear, in the November 22, 23, 24, 1985 period for keeping [REDACTED] machinery going, would that be the SA?

A Yes, sir.

Q And with regard to cleaning the files out, again that would be the SA, in terms of making sure it

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1 gets done?

2 A Making sure -- to make sure that the system  
3 didn't get too slow. It's her responsibility. I don't  
4 think she could or she would override the Chief [REDACTED]  
5 [REDACTED] and tell him that, hey, get your stuff out of  
6 your private library. It's her boss. I can't even  
7 speculate.

8 Q That's fine. But in terms of making sure it  
9 gets done and telling him it's getting too slow, that's  
10 her job?

11 A That's her job.

12 Q Now [REDACTED] would have had that job  
13 [REDACTED]  
14 [REDACTED]  
15 [REDACTED]  
16 [REDACTED]  
17 [REDACTED]

18 Q [REDACTED] in December she still had that  
19 job?

20 A I'm almost positive  
21 [REDACTED]  
22 [REDACTED]  
23 [REDACTED]  
24 [REDACTED]  
25 [REDACTED]

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1 Q We received a report the Chief [REDACTED]  
2 [REDACTED] sent out on December 4, 1986 to the Inspector  
3 General that said all [REDACTED] documents, including  
4 incoming and outgoing cable traffic dealing with subject  
5 mission were shredded and deleted from [REDACTED]  
6 [REDACTED] in December 1985, consonant with the high  
7 sensitivity accorded to the mission.

8 Were you aware of a special directive or  
9 procedure to delete records of the November 21, 22, 23,  
10 24 events?

11 A I did mine normally.

12 Q You did yours normally. Nobody gave you a  
13 special direction?

14 A Nobody told me to keep anything. I just did  
15 mine in my five-day period.

16 Q And with regard to what went on in the Chief  
17 [REDACTED] office and what his SA did, you don't have a  
18 present recollection of that?

19 A No.

20 Q Let me just pursue a little bit more of what  
21 he says here so I can make sure I understand. He says  
22 that the only [REDACTED] personnel aware of the mission were  
23 [REDACTED] the [REDACTED] and, of course, our commo  
24 personnel. And he says [REDACTED] took all action himself  
25 and drafted [REDACTED] all outgoing communications.

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1 Now just to translate that, that suggests to  
2 me that the Chief [REDACTED] actually sat down [REDACTED]  
3 [REDACTED] and worked the keyboard.

4 A He can. He does. If he did, all he has to d  
5 is sit there and type [REDACTED] push the button, sen  
6 it to the printer. It comes to the printer.

7 Q But when he uses the term "drafted on [REDACTED]  
8 what he's talking about is using [REDACTED] equipment?

9 A That's it. He is using his [REDACTED] right  
10 there. He is writing up the messages, the cable, if you  
11 will. It automatically formats that cable for him, sends  
12 it to the printer. He could tear it off and bring it  
13 [REDACTED]

14 Q That was my next question. In terms of what  
15 that machine prints out, it doesn't electronically get  
16 transmitted to you. Somebody has to put it in an  
17 envelope and walk it [REDACTED] is that right?

18 A Yes, sir.

19 Q With regard to that period of time -- the  
20 21st, 22nd, 23rd, and 24th -- can you tell me today  
21 whether or not you have a recollection that a secretary  
22 or the SA was involved in the communications in that  
23 period of time -- the 21st through the 24th?

24 A No, sir.

25 Q You can't tell me?

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1           A     No, sir. It's just hearsay of somebody  
2 mentioning it before I came out here.

3           Q     There are other ways of picking up on this  
4 kind of thing. Does your [REDACTED] equipment do things like  
5 correct spelling?

6           A     Yes, sir. It has a spelling checker and all  
7 that.

8           Q     So the normal way of finding out what the boss  
9 is doing with typing by looking at his spelling doesn't  
10 help us here.

11                     (Laughter.)

12                    There was nothing about the traffic that you  
13 read on the 21st, 22nd, 23rd, or 24th coming out of the  
14 Chief [REDACTED] office that would tell you whether or  
15 not he was inputting [REDACTED] or someone else was, I take  
16 it.

17           A     No, there's no way I could tell. You know, if  
18 the thing says Chief [REDACTED] you have to imply that  
19 it was the Chief [REDACTED]

20           Q     I'm not kidding. The normal boss does things  
21 different from a secretary. You can often see it in  
22 what's written, but there's nothing about this equipment  
23 that would allow you to tell whether or not the Chief [REDACTED]  
24 [REDACTED] had been inputting [REDACTED] or his secretary had.

25           A     No. However, there's no way it could be told,

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1 that you could distinguish between it. However, the  
2 procedure [REDACTED] is that everything that we get for  
3 transmission is released by the Chief. The Chief has  
4 seen it. The only time that that is not followed is when  
5 the Chief [REDACTED] is out of the country and the DC [REDACTED]  
6 has releasing authority or the times that the Chief goes  
7 home and he allows the DC [REDACTED] to release certain cables.

8 Q Bear with me on this. The Deputy Chief [REDACTED]  
9 [REDACTED] was called in on this weekend, correct?

10 A Yes, sir.

11 Q Do you have a recollection of the extent to  
12 which he was actually present during that period of the  
13 21st to the 24th?

14 A No, sir.

15 Q Do you have any knowledge of the extent to  
16 which he was kept familiar with the cable traffic?

17 A No, sir.

18 Q And in terms of whether or not he would have  
19 reviewed cables that had been prepared by or drafted by  
20 the Chief [REDACTED] you can't tell me whether or not he  
21 actually saw those cables?

22 A No, sir.

23 Q With regard to the Chief [REDACTED]  
24 secretary and [REDACTED] again you can't tell me of your  
25 own knowledge today whether or not they actually saw any

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1 of the cable traffic?

2 A No, sir.

3 Q You can't tell me that?

4 A No, sir.

5 Q With regard to what you do on traffic of this

6 kind, I think you were telling me that sending things

7 Eyes Only Flash, these are messages that have sufficient

8 import attached to them that you would want to know that

9 they had been received by the other end; is that right?

10 A Yes, sir.

11 Q That's why the system is designed to do that,

12 to tell you automatically?

13 A Yes, sir.

14 Q If for some reason a message does not come

15 back with an acknowledgement, is it your practice and

16 custom to resend it?

17 A If we don't get an acknowledgement

18 on a Flash it gets sent again.

19

20 Q So if we were looking at a pattern of cables

21 that are Flash messages that show no

22 repeat, that would mean that in all likelihood they had

23 been received?

24 A I don't know how you could tell whether it

25 would be repeated or not.

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1 Q We do have a couple of messages that were  
2 repeated, so we've been told.

3 A Okay, because all they do is they get sent out  
4 in the exact same format, the exact same message number.

5 Q But transmission time is different.

6 A The transmission time would differ.



12 So our directives state that we keep sending  
13 it until we do get an acknowledgement.

14 MR. KERR: Jack, would you mind if I showed  
15 him your list of cables?

16 MR. PEARLINE: Do you want to take a break  
17 first?

18 (A brief recess was taken.)

19 MR. KERR: Let's go back on the record.

20 BY MR. KERR: (Resuming)

21 Q I'm going to show you an exhibit which is a  
22 list Jack put together of the cables, and I'd like to  
23 have that marked as Exhibit 4.

24 (The document referred to was  
25 marked Exhibit Number 4

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1 for identification.)

2 A couple of things about the cables that are  
3 listed here that I wanted to ask you about. We do have  
4 two cables which Jack indicates were sent twice [REDACTED]

5 [REDACTED] These are both marked as Flash,  
6 Eyes Only cables. And [REDACTED] apparently were both  
7 sent at approximately [REDACTED]

8 Looking at those cables, can you tell me any  
9 recollection you might have or any explanation you might  
10 have for why they were sent twice?

11 A This is the same message. I see what you  
12 mean. Okay. One says -- I don't know who put it on here  
13 -- one says "corrected copy". I'm trying to find out --

14 Q What the correction is?

15 A I'm trying to find out what the correction is.  
16 This one here says "corrected copy".

17 Q That's the [REDACTED] cable.

18 A But this is the same cable as this one here.

19 Q Exactly. Let me ask you the question a  
20 different way. Both of those copies appear to be  
21 essentially the same message. We haven't been able to  
22 spot what the difference is at this point.

23 A I can see what probably happened. Apparently  
24 what happened, or what could have happened -- I can't say  
25 apparently what happened. [REDACTED]

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A large rectangular black redaction box covering approximately four lines of text.

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Now what could have happened is this message got fed in twice and getting fed in twice -- in other words, it got sent back with [REDACTED] I don't know why it would get sent back with [REDACTED] I really don't, because [REDACTED] is way up here, would be way up in here on the 22nd. I'd have to sit there and honestly see the services that they mentioned.

A large rectangular black redaction box covering approximately 14 lines of text.

Q You don't know what that translates to?

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1           A     For some reason, it got sent twice -- I don't  
2 know why -- the exact same message.

3           Q     The [REDACTED] cable and the [REDACTED] cable were separated  
4 in terms of the numbering by a substantial period of  
5 time, several hours.

6           A     Right.

7           Q     Let me come at it another way. The cable  
8 numbers are sent in time sequence? I mean, cable one  
9 customarily precedes cable two and cable three?

10          A     That's right.

11          Q     And the machine assigns the number; isn't that  
12 right?

13          A     That's right.

14          Q     So one would assume that the [REDACTED] cable would  
15 have been generated at the time of like cables like [REDACTED]  
16 [REDACTED] that sort of thing.

17          A     That's right.

18          Q     Which was [REDACTED] on the 22nd  
19 of November.

20          A     Which was -- okay. Wait a minute. I think  
21 something -- maybe, I think. No, that's something else.  
22 This was the first day, right?

23          Q     The [REDACTED] 22nd; that was  
24 the first day, right.

25          A     Well, sir, see that message never -- I could

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1 go by the old adage that it didn't happen on my watch.

2 (Laughter.)

3 Q Got you.

4 A I don't mean to pass the buck, but at this  
5 time frame was when [REDACTED] was working and got  
6 called in. And, as I told you before, we pulled him out  
7 of the system when I came in because [REDACTED] had  
8 problems with [REDACTED] machine. I don't know how that  
9 number got there when it belongs up there. I don't. I  
10 honestly don't. I have no idea. I'm baffled, and I'm  
11 being honest. I don't know.

12 Q Let me have you look at one other thing on the  
13 list that we just gave you. If you did not get an  
14 acknowledgement on a Flash message and you had to send it  
15 again --

16 A We wouldn't have waited that long. No, sir.

17 Q Would the second message have a new number on  
18 it?

19 A No, sir.

20 Q So if you waited three minutes or whatever --

21 A If you did it correctly, it would not. No,  
22 sir, because it's there. It's in the machine.

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Q So the message number would remain constant even if it got retransmitted?

A Yes, sir. And so would the date-time group of the message.

Q So it continues to hold an initial date-time group no matter how many times it's sent?

A The message is in its original state.

Q Now with regard to that information that is the first page of a message, do you have any knowledge of the retention of that page, if you will, at Langley -- the instructional page?

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1           A    No, sir. To me it seems like it would be even  
2 less than the message because all it is is superfluous.  
3 It's just routing indicators, date-time groups. There  
4 would be no need to keep it.

5           Q    Well, there might be some interest in keeping  
6 it if in fact you changed the slug that would allow you  
7 to tell whether or not this was a repeat message. That's  
8 where it would show up; isn't that right? If you sent a  
9 message the second or third time, the only way that you'd  
10 know that it was a repeat message in terms of hard copy  
11 would be looking at that first page; isn't that right?

12 [REDACTED]  
13 [REDACTED]  
14 [REDACTED]  
15 [REDACTED]  
16 [REDACTED] the notation that we were  
17 retransmitting due to lack of acknowledgement, you could  
18 not tell the difference from the original message.

19           Q    And you're telling me that it is not the  
20 custom to put that kind of information on [REDACTED]

21           A    We do sometimes. Sometimes we do.  
22 [REDACTED]  
23 [REDACTED]

24           Q    How about on Flashes?

25           A    On Flashes no. We just sit there. It's all

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1 computerized, and we figure that after the second time if  
2 we don't get it, [REDACTED] then we sit there and  
3 put on there, hey, you know, you're not answering, and  
4 they will come back with a service, that something was  
5 wrong back there. And that's why it didn't spit out.

6 Q Now with this pattern of [REDACTED] cables in  
7 front of you, looking at the exhibit and given what you  
8 have told me about Flash messages insofar as [REDACTED]  
9 cables are Flash messages, assuming standard business  
10 practice as you understood was being followed, there  
11 would have been an acknowledgement of receipt of each one  
12 of those Flash messages; isn't that right?

13 A Should have been, yes, sir.

14 Q Do you have any recollection today of any  
15 Flash message being sent during this period of time that  
16 was not acknowledged?

17 A No, sir, I don't.

18 MR. POLGAR: You would have no recollection at  
19 this point?

20 THE WITNESS: Oh, no, sir.

21 MR. POLGAR: It's not that you remember that  
22 none was, there was no lack of acknowledgement?

23 THE WITNESS: I couldn't remember that.

24 BY MR. KERR: (Resuming)

25 Q Let me come at it another way. It would be an

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1 unusual event, would it not, for a Flash message not to  
2 be acknowledged?

3 A I'll go even better, that at one point in time  
4 that message would have been acknowledged because we've  
5 got a procedure that if you sit there and you send it and  
6 you still don't get acknowledgement that means you've got  
7 problems with the line between the points, and then  
8 you've got other alternatives to try to find out why.

9 [REDACTED]  
10 [REDACTED]

11 Q So without regard to whether you have a  
12 present recollection of acknowledgement of these Flash  
13 messages, it would be a most unusual circumstance for a  
14 Flash message to be sent and no acknowledgement received?

15 A That's right.

16 Q And that's because a Flash message is the  
17 second-highest priority and you want to make sure the  
18 mail gets through; isn't that right?

19 A And, like I said, for my knowledge of the way  
20 of the system is not, that when you send a Flash it's  
21 automatically computer-generated, I would say that they  
22 got the Flash. And when you don't get that [REDACTED]  
23 then something's wrong in the line, in the system,  
24 someplace, either on their end, in the line, or something  
25 like that.

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1 Q Do you have any present recollection of there  
2 being a mechanical problem with the lines in the period  
3 from the 21st to the 25th of November, 1985?

4 A No, sir.

5 Q No?

6 A No, sir.

7 Q Let me ask you about a couple other people.

8 [REDACTED] was the Chief [REDACTED]

9 [REDACTED] is that right?

10 A Yes, sir.

11 [REDACTED]  
12 [REDACTED]  
13 [REDACTED]  
14 [REDACTED]  
15 Q His deputy at the time was whom?

16 A Mr. [REDACTED]  
17 [REDACTED]  
18 [REDACTED]  
19 [REDACTED]  
20 [REDACTED]  
21 [REDACTED]  
22 [REDACTED]

23 Q Do you know a gentleman by the name of  
24 [REDACTED]

25 A Yes, sir.

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1 Q And what position did [REDACTED] hold  
2 [REDACTED] in November of 1985?

3 A He was the DCM, sir.

4 Q That's Deputy Chief of Mission?

5 A Yes, sir.

6 Q Do you have a recollection of him [REDACTED]  
7 [REDACTED] during the period November 21  
8 through 25 [REDACTED]

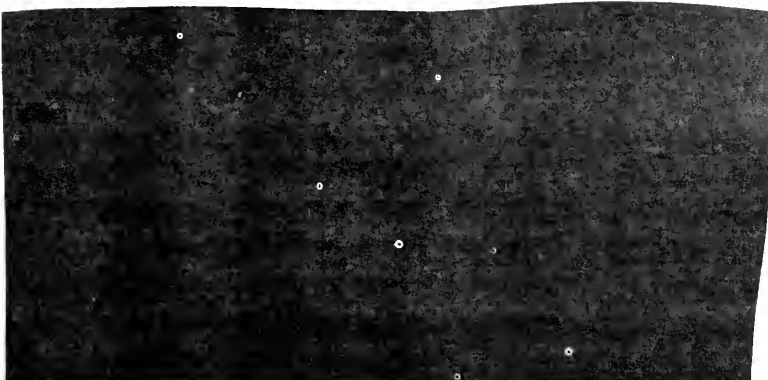
9 A Yes, sir.

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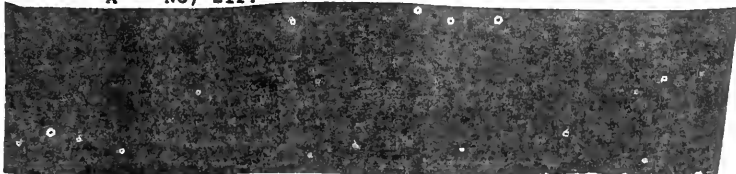
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Q Did there ever come a time when you made  
messages available to [REDACTED]

A No, sir. [REDACTED]

Q Were you ever present when Chief [REDACTED]  
[REDACTED] was discussing or reviewing or outlining  
messages with [REDACTED]

A No, sir.

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BY MR. KERR: (Resuming)

Q With regard to Dewey Clarridge, have you ever  
had occasion to work with Mr. Clarridge?

A I don't even know the gentleman, sir. I've  
never met him.

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1 Q Mr. Clarridge's name shows up on some of these  
2 messages, but you could not have connected a face with  
3 that name during that period of time?

4 A No, sir.

5 Q You've never had an assignment with Mr.  
6 Clarridge?

7 A No, sir.

8 Q With regard to General Richard Secord, have  
9 you ever had occasion to work with him?

10 A No, sir.

11 Q His name is not familiar to you?

12 A No, sir.

13 Q Or at least it wasn't until recent events?

14 A It's familiar now.

15 Q But at the time you didn't know it?

16 A I wouldn't know either one of the gentlemen if  
17 he was standing outside the door. I couldn't pick them  
18 apart.

19 Q Now let me come to the events that are of  
20 primary interest to us, and that's a couple of cables  
21 that were sent by the Chief [REDACTED] back to Langley on  
22 the 23rd relating to contact that the Chief [REDACTED]  
23 [REDACTED] had with Mr. Copp, General Secord. Do you  
24 recall a message or messages which you would have  
25 transmitted for the Chief [REDACTED] relating a

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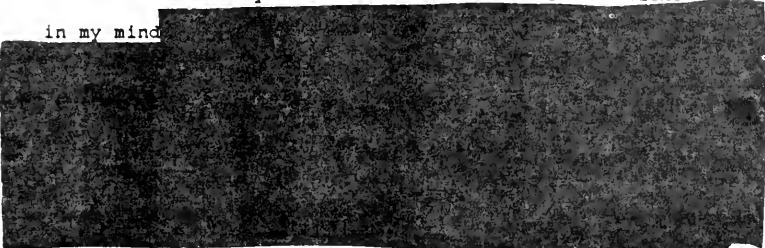
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1 conversation or contact that he had with Secord, aka  
2 Copp?

3 A As I stated before, the only thing that I  
4 remember, the only thing that sticks in my mind, is I  
5 know there was traffic that contained the shipment of  
6 HAWK missiles that was being sent from Israel to Iran,  
7 and the plane could not get permission to land.

8 The only reason I remember that is it sticks  
9 in my mind



15 Another reason it angered me is because I have  
16 a good friend that was a hostage for 444 days or 440  
17 days. He was a free man for four of the days before they  
18 grabbed him. And that's what upset me, and that's why it  
19 stuck in my mind, and that's all I remember.

20 Q Bear with me. You have had to tell this story  
21 to God knows how many people. I'm obliged to take you  
22 through it again, so be patient with me.

23 In terms of your recollection, it stuck in  
24 your mind because it was an event that touched an  
25 emotional chord, I take it; is that right?

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1           A     Yes, sir.

2           Q     And that's an understandable reason for it to  
3     stick in your memory. Do you recall whether this was  
4     simply one message that used the term HAWK missiles, or  
5     was there more than one?

6           A     I cannot recall, no, sir.

7           Q     You do have a clear recollection, though, that  
8     the term HAWK missiles was in the message?

9           A     Yes, sir. As I told previous people, when I  
10    got the message from the IG, the original message from  
11    the IG, requesting what I knew, if anything -- if I had  
12    records and all that -- I sat down and I drafted the  
13    message. I typed out the reply without any prior  
14    knowledge of [REDACTED] As I told other people, me  
15    and [REDACTED] are not the best of -- we tolerate each  
16    other.

[REDACTED]

17  
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19           So I had nothing to gain out of this. And I'm  
20    not doing this to do the man a favor -- if anything, I'd  
21    do it the other way. It's just something I remember.

22           Q     He is known for his personnel relations, I can  
23    tell.

24           A     He's a professional man, but he lacks a lot of  
25    tact and there's times that we bump heads because I have

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1        been known to say what I think a couple times myself.  
2        But I consider myself a professional and I just tell what  
3        I remember.

4                Q        Let me come back. You got a message in, what,  
5        December?

6                A        I can't remember when it was, the first  
7        message from the IG. It was Eyes Only to me.

8                MR. POLGAR: It was last November, I believe.

9                THE WITNESS: It was in the fall of '86, I  
10       believe.

11               BY MR. KERR: (Resuming)

12               Q        In the fall of '86 you get a message. And  
13       what did you do? You drafted your thoughts at that  
14       point?

15               A        I sat down and I replied to acknowledge the  
16       only thing I remembered.

17               Q        And the reply took the form of what, a cable  
18       back to the IG?

19               A        To the IG.

20               Q        Do you recall again approximately when you  
21       sent that cable back to the IG?

22               A        It was the same day, I believe.

23               Q        The same day?

24               A        Yes, sir.

25               Q        I don't suppose you would have any record of

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1 that cable?

2 A No, sir. I knew I should have started keeping  
3 -- I'm going to write -- well, never mind.

4 MR. POLGAR: But the IG would have it.

5 THE WITNESS: They do have it.

6 BY MR. KERR: (Resuming)

7 Q Tell me how this one was designated -- Eyes  
8 Only, Destroy upon reading?

9 A Burn before reading. Read with one eye. No,  
10 sir. I sent it back in the exact same channel as I  
11 received it. It was IG, Eyes Only channels.

12 Q In terms of a copy that might have been kept  
13 [REDACTED] you think the machine has long since eaten it?

14 A The only place it was at was my machine. It  
15 was never in [REDACTED]

16 Q And that would have been destroyed five days  
17 later?

18 A Yes, sir.

19 Q You do have some recollection of that being  
20 acknowledged as having been received by Langley?

21 A Yes, sir. I've seen it here.

22 Q Good. That puts you way ahead of us. That's  
23 excellent.

24 MR. KERR: Let me make a request for the  
25 record at this point that we would very much like to have

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1 that cable, Mr. Pearline.

2 THE WITNESS: All it does is state what I've  
3 just told you. That's all it states. You know, they've  
4 asked me what, if anything.

5 BY MR. KERR: (Resuming)

6 Q Let me give you a question since I have not  
7 had the benefit of reading your cable. Would you give me  
8 your best recollection of what the cable actually said?

9 A I could probably cheat if I could remember  
10 what was just told me a couple hours ago.

11 Q You were refreshed at that point?

12 A I was told what I replied and I sat there and  
13 said that's all I remember. The message in general said  
14 that the only thing I remembered is a message dealing  
15 with HAWK missiles, a plane with HAWK missiles on board  
16 it that was being shipped from Israel to Iran and the  
17 plane could not land.

18 Now I cannot honestly remember -- I cannot  
19 honestly recollect that maybe one of the reasons I got so  
20 upset is because it was in the message, it was stated to  
21 the effect that it was arms for hostages. I can't  
22 remember if that's what ticked me off, but something was  
23 a flag in front of me that I didn't forget.

24 Q I'm with you.

25 MR. STILES: I'd like to interject something

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1 for the record. It's my understanding you were not  
2 actually shown a copy of the cable by the IG; is that  
3 right?

4 THE WITNESS: No.

5 BY MR. KERR: (Resuming)

6 Q When did you have that conversation, the most  
7 recent conversation about this cable? You arrived here  
8 about 1:15.

9 A I believe it was somewhere around 9:30 or  
10 10:00 this morning, sir.

11 Q In whose presence were you when this  
12 conversation took place?

13 A Just me and what's her name? Carla.

14 Q No one else?

15 A Just me and her.

16 Q And she made reference to a cable you had sent  
17 to the Inspector General?

18 A I thought she was the IG.

19 Q But she made reference to a cable that you had  
20 sent?

21 A It seems like everybody -- I see in the  
22 Washington Post, you know, the traffic I sent, so I  
23 figure everybody has a copy of it.

24 Q That's one of our best sources. God bless the  
25 Washington Post. I won't go into what that suggests.

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1 All right. She referred to your cable?

2 A She just mentioned about my cable and she just  
3 asked me some questions if I recalled anything else, and  
4 I said that's all I recall.

5 Q But she didn't actually show you your cable?

6 A No, sir.

7 Q She's compartmented your cable away from you.

8 Is that what was going on?

9 A No. Well, let's put it this way. She must  
10 have a fabulous memory because she had something in her  
11 hand.

12 Q She did have a piece of paper in her hand?

13 A Yes, sir.

14 Q Did she say anything about whether or not that  
15 had been provided to our Committee?

16 A No, sir. That didn't even come up.

17 Q Did she refer to any other pieces of paper  
18 when you talked to her this morning?

19 A No, sir.

20 Q Did she refer to any other cable traffic?

21 A To my recollection, no. I sat there and I  
22 tried to explain to her the mechanisms for the way  
23 traffic is sent and received, to the best of my  
24 knowledge, from a filing [REDACTED] to [REDACTED] but  
25 I told her that I didn't know about the mechanics at

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1 Headquarters, at Langley.

2 Q Did you tell her anything more other than what  
3 you have told us so far?

4 A No, sir.

5 Q The same drill?

6 A I sat there. I told the same story to three  
7 people. Now I said -- let's put it this way. I have  
8 said a lot more to you than I said to them because I  
9 wasn't asked so much about the mechanics of it.

10 Q Do you recall any other topics that you  
11 discussed with her this morning?

12 A That was it, sir.

13 Q That was it. Nothing else was said?

14 A Yes, sir.

15 Q Now coming back to your reaction when you saw  
16 this message that made reference to HAWK missiles, did  
17 you discuss your reaction contemporaneously with anybody?  
18 Did you go see [REDACTED] and say what the heck is going  
19 on?

20 A No, sir.

21 Q Do you recall discussing it with any of your  
22 fellow employees?

23 A I might have sat there with [REDACTED] To be honest,  
24 I sat there and sent him a note prior to coming here and  
25 told [REDACTED] that I was heading back for Washington, and I

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1 said will I see you back there. And he said, no, they  
2 contacted me and I can't remember anything.

3 Q Did you refresh his recollection?

4 A He sat there and said, to be honest, he said,  
5 he partied the night before and he couldn't remember  
6 anything. And I sat there and that's when I said I  
7 should have been on some heavy drugs or something. Then  
8 I went and had jet lag.

9 Q Okay.

10 A It's possible I did. In fact, if he was  
11 around I know I talked to him about it. I can't say  
12 positively yes or no.

13 Q Do you have any further recall, sitting here  
14 today, thinking about it, going through that of anything  
15 else that was mentioned in that cable that stuck in your  
16 mind?

17 A No, sir.

18 Q You've exhausted your recollection on that  
19 score?

20 A I've sat there and divorced myself from a lot  
21 of the meetings at [REDACTED] because [REDACTED] was  
22 holding meetings expounding on things that were coming  
23 out in the Washington Post, other things that were  
24 happening, and he'd go through the whole scenario again,  
25 how it started, and he asked me why I wasn't attending

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1 the meetings and I told him that I was one of the players  
2 and I only know one phase of it. I don't care to know  
3 the rest of it.

4 Q How many such meetings has [REDACTED] had,  
5 to the best of your recollection?

6 A Oh, I don't know. He's had just a couple.  
7 The one most recent one was because of that 25th of June  
8 Washington Post fiasco where it came on the front page.  
9 Now I remember that message.

10 Q What do you remember of that message?

11 A Sending it out. That was the Eyes Only, IG,  
12 message.

13 Q In terms of its content, what do you remember  
14 about it?

15 A It just looked familiar in seeing it. It just  
16 looked -- you know, it was just something that stuck in  
17 your mind. Hey, look at that. Here's our traffic. Put  
18 a line through it; it's no longer secret. It's now  
19 declassified, got the little black marks in there.

20 Q Let me come at it another way. What did  
21 [REDACTED] express, if anything, by the way of concern or  
22 interest in this cable?

23 A He had a valid concern. You know, it was an  
24 Eyes Only message, IG, a classified message on the front  
25 page of the Washington Post, you know. And the message--

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1 I don't recall the whole message, but the message had,  
2 apparently had contents, material in it, that could be  
3 damaging.

4 Q [REDACTED] felt?

5 A Right.

6 Q Did he mention specifically what caused him  
7 concern?

8 A No, sir. I mean, the concern, the  
9 credibility, you know. Who's going to trust us anymore  
10 if you can read it in the Washington Post?

11 Q Now apart from that meeting where he expressed  
12 concern about that cable that was published -- when is  
13 the first meeting you had with [REDACTED] about these  
14 matters? Was it right after you sent your reply in to  
15 the IG?

16 A No, no, no.

17 Q A substantial period of time passed from that  
18 first request until you met with [REDACTED]

19 A No. I've only been to two of them.

20 Q When was the first one?

21 A The first one I think was sometime after he  
22 got called back here, and all he was doing was he briefed  
23 [REDACTED] on what was transpiring back here.

24 Q Did he describe his testimony?

25 A He didn't describe his testimony, to my

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1 knowledge, per se, no. He didn't say this is what they  
2 asked me. He just sat there and said that they are  
3 saying one thing and I'm saying another thing.

4 Q Which "they" was he talking about -- the Dewey  
5 Clarridge "they", the Committee "they"?

6 A No, no, not the Committee. I guess it was the  
7 guy that says -- it was between the guy that says he  
8 didn't get the message and the guy that says he did get  
9 the message.

10 Q So basically what [REDACTED] reported back was  
11 that someone said the message hadn't been received; is  
12 that correct?

13 A That's right.

14 Q Did he ask you anything about the extent to  
15 which you knew the message had been received?

16 A No, sir.

17 Q And you haven't had occasion to discuss with  
18 him what you were going to testify about today; is that  
19 correct?

20 A No. I sat there and told him -- the last  
21 thing I said to [REDACTED] is he got all the material  
22 from the Charge --

23 MR. POLGAR: [REDACTED]

24 THE WITNESS: [REDACTED] thank you. He  
25 got -- the State Department sent him all the transcripts

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1 of the hearings and everything through his channels, and  
2 [REDACTED] told me that he had this TDY secretary  
3 making off copies for everybody. He said as soon as she  
4 is done you can have a copy so you can read what happened  
5 back here. And I said I don't want to. I said I was  
6 there. I know what I know. I said I don't need to know.  
7 Besides, I read something it might stick in my mind the  
8 wrong way.

9 BY MR. KERR: (Resuming)

10 Q So you made a conscious effort to preserve  
11 your recollection without the interference of newspaper  
12 stories and Committee questions?

13 A Yes, sir. I sat there and saw Ollie North on  
14 television a couple times, true. I read the Washington  
15 Post and read about the Agency communicator, who  
16 everybody knew who it was.

17 Q I assume you assumed it was you.

18 A Well, [REDACTED] assumed it was me.

19 Q Let me come back to the November-December  
20 period when you got the call from the IG. The IG simply  
21 made a request to you for information; is that correct?

22 A They just asked if I recalled the period, gave  
23 me that time period, if I recalled anything that happened  
24 during that time frame, if we held any records. They  
25 wanted to know if we held any records and stuff like

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1 that. I went back to them and told them that no records  
2 are held, that we had no records, and what I told you,  
3 what I recalled.

4 Q Were you told why the IG wanted that  
5 information?

6 A It said for ongoing -- how did they put it --  
7 some kind of investigation. It was for some -- I don't  
8 know even if it had in there Iran-contra investigation.  
9 It was some kind of investigation.

10 Q Were you at all conscious in November of 1986  
11 of Director Casey coming to the Hill to give testimony in  
12 late November about the Iran-contra matter?

13 A When was this, sir?

14 Q November of '86.

15 A The only thing I remember is reading about  
16 where the day before, I believe it was, he was due to  
17 testify is when he had his stroke?

18 Q That would be in December. But you weren't  
19 conscious of the testimony he was giving before that in  
20 November?

21 A No, sir, not that I can recollect.

22 Q And you don't recall any connection being  
23 drawn between the IG's request to you and testimony being  
24 sought in Congress by Director Casey?

25 MR. PEARLINE: I would just like to point out

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1 for the record that the IG investigation wasn't commenced  
2 until after the Director testified on November 21.

3 MR. KERR: I understand that's the CIA's  
4 position. I'm trying to make sure that that's exactly  
5 what was going on, since you all haven't been kind enough  
6 to give us the cable.

7 BY MR. KERR: (Resuming)

8 Q One other question on that score with regard  
9 to the cable that you sent to the IG. Do you have  
10 knowledge of anyone [REDACTED] who saw that cable? Did  
11 [REDACTED] see it, for example -- your cable back to the  
12 IG?

13 A Yes, sir, the one I sent.

14 Q He would have seen it before it went out,  
15 before your cable to the IG went out?

16 A My cable? He did see it before it went out.

17 Q Did you discuss it with him at all?

18 A No, sir. I just sat there and showed him what  
19 I sent.

20 Q Did he make any comment to you?

21 A No.

22 Q To say this corresponds with my recollection  
23 or doesn't or anything like that?

24 A I sat there and said that's all I can  
25 remember, and he said well, that's all you can sit there

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1 and say -- something to that effect.

2 Q Nothing else substantive that you can recall  
3 that was said between the two of you?

4 A Yes.

5 Q What was that?

6 A At least somebody else remembers about the  
7 missiles.

8 Q [REDACTED] told you that?

9 A Right.

10 Q One other way of trying to focus your  
11 recollection on time, do you recall having this  
12 conversation with [REDACTED] or sending out this cable  
13 before or after Thanksgiving of 1986?

14 A I don't know. You'd have to get it.

15 Q I have ever intention of getting it from the  
16 IG.

17 A The date I got the message is the date it went  
18 out. I'm almost positive I sent it out the same day, and  
19 I have no idea -- I can't recollect when I sent it.

20 Q Do you have any recollection of being advised  
21 by [REDACTED] that he was preparing a cable on these  
22 events?

23 A No, sir. He doesn't sit there and ask me to  
24 comment on his outgoing.

25 Q You were aware when he sent one; isn't that

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1 right?

2 A I'm aware of everything -- well, let's put it  
3 this way. I'm aware of things that I sent out.

4 Q Do recall whether he sent his cable on these  
5 events before or after you sent your cable?

6 A I have no idea, sir. I can't recollect that.

7 Q Let me show you [REDACTED] dated December  
8 4, 1986, which will be [REDACTED] Exhibit 5.

9 (The document referred to was  
10 marked [REDACTED] Exhibit Number 5  
11 for identification.)

12 (Pause.)

13 Mr. [REDACTED] I'd like you to do a couple things  
14 with this document. First, I'd like you to read it to  
15 tell me whether or not you have ever seen it before and,  
16 if so, when. Beyond that, I'd like you to read with some  
17 care and see if you can tell me whether or not there is  
18 anything in your recollection which is inconsistent with  
19 that which the Chief [REDACTED] has set forth in his  
20 cable. So take a moment and read it, please.

21 (Pause.)

22 Let's do it from the top with regard to the  
23 cable, [REDACTED] Exhibit 5. Have you ever seen this cable  
24 before?

25 A I can't remember. I can't recollect. It's

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1 possible that I sat there and seen it. If I was there  
2 when it got sent out, I seen it.

3 Q Do you have any way of recalling whether or  
4 not you were present [REDACTED] on December 4, 1986?

5 A If it's during the week, a weekday, there's a  
6 good possibility I would have been, yes, sir.

7 Q But what you are telling me is you have no  
8 present recollection of reading and taking mental note of  
9 the cable that the Chief [REDACTED] was sending back to  
10 the IG?

11 A To be absolutely frank, sir, the contents of  
12 this message would not stick in my mind.

13 Q Tell me why that's so.

14 A At the time I would have been interested in  
15 reading it to find out what supposedly transpired, but  
16 there's nothing in there. There had been so much stuff  
17 going back and forth about this, it's old history by this  
18 time, you know.

19 Q I'm with you. With regard to what's in that  
20 cable, is there anything in that cable, reading it today,  
21 which is inconsistent with your own recollection?

22 A I don't recall. I do not recall the majority  
23 of this stuff happening. I was not privy to this stuff.  
24 You know, people have said that this one gentleman worked  
25 out of the hotel. I've heard people say about telephone

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1 calls [REDACTED] I don't have any recollection. I have no  
2 knowledge of that. My job was solely just to sit there  
3 and send messages.

4 Q With regard to his reference to a second  
5 message sent on his visit with Secord, which mentioned  
6 HAWK missiles, that is consistent with your recollection?

7 A All I remember is there was a message that  
8 dealt with HAWK missiles and the point they were coming  
9 from, where they were going, and the problems with the  
10 plane. That's all I recall.

11 Q Your recollection would be that what you  
12 recall is a message that went out from [REDACTED] Chief  
13 [REDACTED] correct?

14 A To the best of my knowledge, yes, sir -- to  
15 the best of my recollection.

16 Q I'm with you. Do you recall any message  
17 containing like or similar information that came into the  
18 [REDACTED]

19 A I honestly cannot truthfully say that it was a  
20 message that came in or went out. I honestly can't.

21 Q Is there voice communication between [REDACTED]  
22 [REDACTED] and Langley apart from picking up the  
23 telephone and dialing the number?

24 MR. POLGAR: Secure voice he means.

25 THE WITNESS: There's a capability, but I

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1 don't believe it was used. [REDACTED]  
2 [REDACTED]

3 BY MR. KERR: (Resuming)

4 Q They did have voice communication but it was  
5 not functioning?

6 A At the time I don't believe it was. [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
9 [REDACTED]  
10 [REDACTED]  
11 [REDACTED]  
12 [REDACTED]  
13 [REDACTED]  
14 [REDACTED]  
15 [REDACTED]  
16 [REDACTED]  
17 [REDACTED]  
18 [REDACTED]  
19 [REDACTED]  
20 [REDACTED]

21 Q And that wasn't working real well?

22 A From what I can recall they had a lot of  
23 problems with it, the first part.

24 Q Do you have any knowledge of any record that  
25 is kept on that equipment, any kind of tape recording or

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1 other recordkeeping system?

2 A No, sir. To my knowledge there is not, not  
3 unless they've got it hid someplace.

4 MR. POLGAR: Off the record.

5 (A discussion was held off the record.)

6 BY MR. KERR: (Resuming)

7 Q Do you have knowledge of any other  
8 communications that were sent [REDACTED] to the  
9 IG regarding this matter other than the one you sent and  
10 the one the Chief [REDACTED] sent?

11 A No, sir.

12 Q To the best of your recollection and knowledge  
13 none of your fellow workers sent or were asked to send  
14 such a message -- [REDACTED] for example?

15 A My note to [REDACTED] it indicated that he  
16 did, that he was contacted. Now he did not say by whom.  
17 He said he was contacted about it. He was contacted, but  
18 he told them that he sat there and said he didn't  
19 remember anything.

20 Q If he told them that, he would have had to do  
21 it by way of a message, correct?

22 A He had to send a message.

23 Q So there would be a message that said I don't  
24 know nothing that went back to Langley?

25 A Yeah.

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1 Q It would have gone to the IG?

2 A I don't know. I don't know whether it went to  
3 the IG or not. I don't know who it went to.

4 MR. STILES: For the record, I know that there  
5 are two other cables that came in from two other  
6 communicators to the IG in response to the same cable  
7 that was sent out to [REDACTED]

8 MR. KERR: So that we can try to cut through  
9 the underbrush, is there some reason why those have not  
10 been produced to us?

11 MR. STILES: Well, I retrieved them for the  
12 purposes of the Independent Counsel's investigation. As  
13 far as your purposes are concerned, I wouldn't have any  
14 knowledge of it.

15 MR. PEARLINE: I wasn't aware of it. That's  
16 why I didn't produce them.

17 MR. KERR: What I'm trying to find out is  
18 whether or not we need to have Arthur and the Senator  
19 talk to you all to produce them or not. You're telling  
20 me you don't know a policy reason at this point why they  
21 haven't been produced.

22 MR. PEARLINE: No. And there's no objection  
23 to producing them either, I don't believe.

24 MR. POLGAR: It was my understanding from Mr.  
25 Howard that the other messages contained nothing of

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1 interest, that in essence they were negative messages.

2 MR. STILES: That's true.

3 THE WITNESS: I think my message was something  
4 like this (indicating). It was just a short blurb.

5 MR. PEARLINE: This is not an attempt to hide  
6 the messages.

7 MR. KERR: I'm just trying to find out why it  
8 hasn't been produced, and you're telling me it is because  
9 you didn't know about it?

10 MR. PEARLINE: That's right.

11 MR. KERR: There hasn't been a policy decision  
12 made at CIA not to produce them?

13 MR. STILES: Not at all. In fact, the  
14 Independent Counsel's office has seen these cables.

15 MR. KERR: Being the sort that likes to  
16 collect all pieces of paper, I would like to see all  
17 pieces of paper.

18 BY MR. KERR: (Resuming)

19 Q With regard to [REDACTED] do you have any  
20 knowledge of whether or not -- do I have the right name?

21 A Yes, sir.

22 Q Do you have any knowledge of whether or not  
23 she has submitted any kind of report?

24 A I don't even know if [REDACTED] has been  
25 contacted about it, and I cannot contradict what the

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1 Chief [REDACTED] states in here.

2 Q I'm not asking you to. What I'm asking is  
3 whether you have any present knowledge of her having  
4 communicated to the IG about what she knows.

5 A No, I do not.

6 Q Do you have knowledge of anybody else at [REDACTED]  
7 [REDACTED] who communicated with the IG about this  
8 matter?

9 A No, I do not. To my knowledge, to clarify one  
10 thing, sir, to my knowledge, unless I wasn't there, there  
11 was only two that went out from [REDACTED] to the IG.  
12 One was from myself and one was from [REDACTED] and  
13 that's it.

14 Q Now let me just do some concluding questions  
15 on the way these cables operate and then I'll turn it  
16 over to Jack and any questions Tom may have.

17 If I'm understanding your testimony, you don't  
18 at the present time have a recollection of any mechanical  
19 difficulties with the mechanics of sending cables to and  
20 from Langley in the period November 21 through November  
21 25, 1985; correct?

22 A That's correct. Yes, sir.

23 Q Can you recall at any point during your tour  
24 [REDACTED] when a cable was sent [REDACTED] and was not  
25 received by Langley? Have you ever had that happen to

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1 you?

2 A I have had occasions where we have sent  
3 traffic from not only [REDACTED] we have sent traffic  
4 from a [REDACTED] and, say, the Washington addressee  
5 would sit there and say -- we'd get a message in saying  
6 did not receive ref message, please retransmit. And the  
7 message could be, you know, three weeks old. But that is  
8 a breakdown in the message center in Langley, because all  
9 our messages have numbers on them which are check  
10 numbers, if you will, that they stay in sequence [REDACTED]  
11 [REDACTED] and if something, an office, says in three  
12 weeks they have not received a message, please  
13 retransmit, we know it got as far as the message center  
14 because they usually request us to retransmit for this  
15 missing number within 24 hours. That's SOP.

16 Q I understand SOP and I understand what you're  
17 talking about on that score. But let me focus [REDACTED]

18 [REDACTED] Do you have any recollection [REDACTED]

19 A Yes, sir.

20 Q That has happened?

21 A Has happened.

22 Q And when it does happen you are asked to  
23 retransmit customarily within 24 hours; correct?

24 A No, no, no. We have had [REDACTED] where  
25 different places have asked us to retransmit a message

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1 that they say they haven't gotten, they haven't received.  
2 Like say if we sent a message to point A and a week later  
3 nothing, we go out with another message, please reply to  
4 Ref, the message. Two days later they come back and say  
5 we never got it; please retransmit it. Well, we know  
6 they did because the signals center never requested us to  
7 retransmit for that missing number.

8 So somebody back there misplaced it, lost it.

9 Q Somebody at the receiving station?

10 A Right. But I've had it happen, yes, sir.

11 Q With regard to messages into Langley, into  
12 headquarters, have you had a situation?

13 A Yes, sir.

14 Q Where that's happened?

15 A Yes, sir.

16 Q And the same problem would occur? The problem  
17 would be at the message center at Langley, correct?

18 A Yes, sir.

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Q To follow that through, the customary procedure, then, and the way Langley operates is they do a check the next day of the previous day's traffic

[REDACTED] is that right?

A I don't know how Langley does it, but it's the

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1 standard procedure and the way it should be done.  
2 Without a 24-hour period you should check every station  
3 to see if there is any numbers that you're missing.

4 Q And if there were numbers missing -- i.e.,  
5 they didn't have a record of having received them --

6 A They request those numbers

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1 Q But what you're telling me is there is a check  
2 system that you all have vis-a-vis Langley to review on a  
3 periodic basis, and it's fairly quickly periodic, at  
4 least every 24 hours or so.

5 A It should be, yes, sir.


6 Q Whether or not they have actually received the  
7 cables?

8 A Yes, sir.

9 Q And sitting here today you have or do you not  
10 have any recollection of having gotten a message that  
11 there was a missing cable in the period November 21  
12 through 24, 1985?

13 A I have no recollection at all, sir.

14 Q If there had been such a number I assume that  
15 you would have sent the cable into Langley; is that  
16 correct?

17 A Yes, sir. All it would have to do would be  
18  resent, the same numbers and  
19 everything.

20 Q So if for some reason the cable hadn't been  
21 sent or hadn't been received at Langley within 24 hours  
22 or so you would have known that from Langley and your  
23 standard operating procedure would have been to send the  
24 cable again at that point?

25 A Yes, sir, except if it was a Flash it would

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1 have been a lot sooner than that.

2 Q And we've gone through what happens with Flash  
3 messages.

4 A Yes, sir. You would not have waited 24 hours.

5 Q There's nothing about the privacy channel that  
6 would cause the system to be short-circuited, correct?

7 A No, sir. This up here has nothing to do with  
8 the privacy channel. This is all from our communication  
9 terminal to Langley's communication terminal before it  
10 goes to message distribution.

11 Q So the communications system which is designed  
12 to make sure that messages don't get lost between the  
13 tracks works whether you are privacy channel or any other  
14 channel?

15 A That's correct. Yes, sir.

16 Q In terms of the numbering system -- and I get  
17 confused on this -- does the machine assign the [REDACTED]  
18 number?

19 A Yes, sir.

20 Q The machine assigns it?

21 A The machine assigns this number here. The  
22 machine assigns this number here, which is really like  
23 down here you'd have -- you could have site [REDACTED] and  
24 if they are in [REDACTED] series that would be [REDACTED] which  
25 this number is the last four numbers. And the machine

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1 automatically assigns this number, the message number  
2 here, this number, the Julian date-time group, and, of  
3 course, the date-time group here, and these check  
4 numbers.

5 Q So the human beings do not play any role in  
6 actually placing a number on a cable; correct? The  
7 machine takes care of that for you?

8 A On [REDACTED] system the machine does it all,  
9 sir.

10 Q Again, so it can't be a matter of human error  
11 to miss a number, the machine is going to put its numbers  
12 on sequentially come what may; isn't that right?

13 A Yes. [REDACTED]  
14 [REDACTED]

15 Q Have you ever encountered a situation where  
16 the machine blew a number for you?

17 A No, sir. I've encountered a situation where  
18 for some reason it didn't close a number. [REDACTED]  
19 [REDACTED]  
20 [REDACTED]  
21 [REDACTED]  
22 [REDACTED]  
23 [REDACTED]  
24 [REDACTED]  
25 [REDACTED]

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1 Q But what you're telling me is that you have  
2 never been in a situation where there was a totally  
3 phantom number, that where there was a number there was  
4 no cable?

5 A No, sir.

6 Q Has there ever been a situation during your  
7 tenure [REDACTED] where there has been a number assigned  
8 where there was no message that went with the number --  
9 where you shot a blank, so to speak?

10 A Yes, sir.

11 Q Can you explain to me how that might happen?

12 A Yes, but the number would never be used.  
13  
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18 Q Again, that's something that if it happened it  
19 is likely to stick in your memory, isn't it?

20 A Yes, sir.

21 Q Did that happen, what you've just described,  
22 in the period November 21 through November 25, 1985?

23 A To my recollection, no, sir. And if it did  
24 happen -- I'm saying if it did happen -- the message would  
25 have been sent out the next one anyway.

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1 Q Now just to kind of sum up, it would be  
2 correct, would it not, that the system, the commo system  
3 that you have described, is designed to establish a  
4 mechanism that accounts for all cables and all numbers of  
5 all cables that are sent [REDACTED] to other

6 [REDACTED] correct?

7 A Yes, sir.

8 Q And that system is designed to allow you to  
9 tell on an automatic basis, automatic either because of  
10 the Flash system or automatic because of standard  
11 operating procedure when something hasn't been received;  
12 is that correct?

13 A Yes, sir.

14 MR. TAYLOR: I just have a few points. I'll  
15 be very brief.

16 BY MR. TAYLOR:

17 Q Looking at the sheet which is my little bible,  
18 I notice that all the communication seems to be between  
19 two addressees, the Director [REDACTED] and [REDACTED] to the  
20 Director. For instance, Director [REDACTED] And on the  
21 second page, about the 26th of November, 27th -- you  
22 can't see it on the sheet -- but Langley began including  
23 other officers as info recipients of these messages.

24 In other words, if one were sent from Langley  
25 [REDACTED] he might include [REDACTED] as an info recipient for

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1 the message. Did you ever send any message at all to any  
 2 other [REDACTED] as an info or information recipient for the  
 3 message during this period of time on this subject?

4 A To my recollection, sir, I can't remember.

5 Q Do you recall ever conversing with another  
 6 [REDACTED] other than headquarters on this at all?

7 A No, sir.

8 Q Did you ever, since this involved Israel and  
 9 later involved [REDACTED] did you ever send any traffic to  
 10 [REDACTED]

11 A Yeah,

12 Q Or [REDACTED] receive any?

13 A I cannot recollect, sir. I do not think so,  
 14 but I honestly can't remember. I know if I was given  
 15 traffic that had them, you know, in the addressee line as  
 16 information addressees, it's automatic. The machine puts  
 17 on the numbers for all these stations and it gets sent  
 18 automatically to the other stations. So we don't have to  
 19 -- there's no manual intervention that the Chief [REDACTED]  
 20 [REDACTED] would want to send say this message [REDACTED]  
 21 and [REDACTED] as information addressees.

22 The message is sent to the Director. We just  
 23 feed that in and it gives out the number for the  
 24 Director, [REDACTED] It goes to all  
 25 three people automatically.

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1 Q So that determination is left up to the Chief  
2 then?

3 A Yeah. We do not sit there and direct. We  
4 have no dictate of where the message goes. The Chief  
5 says where it goes, or Langley headquarters in  
6 their outgoing.

7 Q Would you review this one cable. It's  
8 dated November 23 and it's one of the cables we  
9 picked up very late from CIA. That's a name that's not  
10 been mentioned so far.

11 A I have no idea who it is.

12 MR. KERR: That's deep cover.

13 THE WITNESS: I have no idea.

14 BY MR. TAYLOR: (Resuming)

15 Q I was hoping you might say that because  
16 otherwise we'd have to go another two hours. This  
17 individual happens to be apparently getting overtime for  
18 some activity during the critical period.

19 A I can give you who it was from the message.  
20 You know, I can tell you what his purpose apparently was.  
21 I have no recollection that the guy was even there. I  
22 don't know who it is.

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[REDACTED]

1 So all this person here was doing at this time  
2 was [REDACTED] working on the air conditioning.

3 (Laughter.)

4 MR. KERR: That's cover, by golly. I like  
5 that.

6 THE WITNESS: This right here. [REDACTED]  
7 [REDACTED]

8 BY MR. TAYLOR: (Resuming)

9 Q Show me the one that says air conditioning.  
10 I'd like to see that.

11 [REDACTED]  
12 [REDACTED]  
13 [REDACTED]  
14 [REDACTED]  
15 [REDACTED]  
16 [REDACTED]  
17 [REDACTED]  
18 [REDACTED]  
19 [REDACTED]  
20 [REDACTED]  
21 [REDACTED]  
22 [REDACTED]  
23 [REDACTED]  
24 [REDACTED]  
25 [REDACTED]

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1 MR. POLGAR: When you read [REDACTED]

2 [REDACTED] matter that has nothing to do  
3 with substance.

4 MR. TAYLOR: Every Tom, Dick and Harry should  
5 know that.

6 (Laughter.)

7 So much for my little jaunt in this direction.  
8 I'm just going to bury it. I did have one more question.

9 BY MR. TAYLOR: (Resuming)

10 Q It's along the line of the first.

11 A You have another one?

12 Q Yes, one more. There was one more cable that  
13 was missing that we thought would be of interest to us at  
14 one point and this particular cable was sent after the  
15 [REDACTED] were asked to report [REDACTED] by  
16 Flash from headquarters, and the best we've been able to  
17 do is narrow it down between [REDACTED] on November 22 and  
18 [REDACTED] the same day. So there's a two-hour time  
19 period there where we think that particular cable was  
20 missing.

21 I'll ask you to look at [REDACTED] and you  
22 see it has a circle around it -- missing.

23 MR. POLGAR: That's a headquarters message,  
24 isn't it, a Director message?

25 MR. PEARLINE: Yes, that's right.

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1 MR. TAYLOR: It could be a very innocuous --

2 MR. POLGAR: We assume that's the one where  
3 Clarridge explains what this is all about.

4 BY MR. TAYLOR: (Resuming)

5 Q That would have been the first inclination of  
6 what the heck is going on to you guys. Do you recall any  
7 occasion where you picked up the first piece of  
8 information on this from headquarters explaining what was  
9 happening?

10 A No, sir.

11 Q I don't know who would have been there.

12 A That's [REDACTED] again. I have no knowledge,  
13 no recollection of this, no, sir.

14 Q Let me see if I can give you some hints from  
15 what I think may have happened if it were indeed the  
16 notification cable on this particular topic, and I think  
17 it probably was. Do you recall anything along the line  
18 of this is a National Security Council operation or an  
19 NSC operation?

20 MR. PEARLINE: Would you have been on duty?

21 THE WITNESS: I don't even know if I would  
22 have been there.

23 BY MR. TAYLOR: (Resuming)

24 Q You would have seen it after you came to work,  
25 obviously.

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1 A There would be no need for me to actually see  
2 it unless [REDACTED] would have kept it for me and say, hey,  
3 look at this neat stuff that came in. [REDACTED] wasn't like  
4 that.

5 Q So this would have already been transferred?

6 A This could have possibly still been in [REDACTED]  
7 [REDACTED] and he was trying to get it out. I'm not being  
8 facetious. This has happened for me. I went in to work  
9 one time and he was there bleary-eyed and everything, and  
10 I said, what's the matter, [REDACTED] And he says, I've been  
11 trying to get this Flash message out now for the last  
12 three hours. [REDACTED]

13 [REDACTED]  
14 And I told him why didn't you just type it on  
15 the board. He said, I never thought of that. So you  
16 could see why we more or less let [REDACTED] after we  
17 came in to work, relax. I honestly can't remember. [REDACTED]  
18 was a very nice gentleman. He was just -- he retired.  
19 When he came [REDACTED] he had already retired. It was  
20 his retirement post and he retired when he got there.

21 MR. TAYLOR: Those are the only things I had  
22 questions on. I have enjoyed each and every answer.

23 MR. KERR: Before we let you go, [REDACTED] let  
24 me talk to Mr. Polgar.

25 (A brief recess was taken.)

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BY MR. KERR: (Resuming)

Q [REDACTED] let me finish up with a couple of questions designed to make sure I haven't missed anything along the way. In terms of [REDACTED] and the period between November 21 and November 25 you have indicated that you don't recall discussing with him your concerns about the HAWK missiles or your reaction to the HAWK missiles in the cable, if I'm understanding you correctly.

Did you have any substantive discussions with [REDACTED] during this period about this matter at all that you can recollect?

A No, sir.

Q So essentially what happened was [REDACTED] messages came to you to send out but you did not have occasion to discuss with [REDACTED] what he was doing about this mission?

A No, sir.

Q Is the same thing true of [REDACTED] Did you talk to [REDACTED] at all?

A No.

[REDACTED]

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Q

you

don't recall any substantive discussion with [REDACTED]  
about what he was doing or what was going on?

A I have never even to this date, I have never  
talked to [REDACTED] about this incident.

Q Similarly with regard to [REDACTED]  
deputy, any substantive conversations you would have had  
with him during this period of time?

A No, sir.

Q And with [REDACTED] do you recall discussing  
with her what was going on?

A No, sir. To the best of my recollection,  
nobody. I mean, I would have no recourse to talk to [REDACTED]

or

Q The final question. Just in terms of people  
that you've talked to about these incidents, we know that  
you sent the cable to the IG. We've talked about that.  
What other people have you related your recollections of  
this matter to? Who else have you talked to about this?

We know about the lady this morning, the IG.

A Well, I've told in essence the story of what I  
recall to the lady at the IG and to [REDACTED]

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1 Q And who is [REDACTED]  
2 MR. PEARLINE: [REDACTED] is a DD<sup>A</sup>  
3 representative who is handling matters pertaining to this  
4 investigation for the Directorate.

5 BY MR. KERR: (Resuming)

6 Q And [REDACTED] and you would have had this  
7 discussion approximately when?

8 A This morning at 9:00.

9 Q So you got her first and then Carla second?

10 A Yeah. They were running me right through the  
11 gauntlet.

12 MR. STILES: I think for the record, though,  
13 it ought to be pointed out that --

14 THE WITNESS: She wasn't grilling me. We were  
15 just talking about it.

16 MR. STILES: [REDACTED] made the arrangements for  
17 him to come back up and so forth, so it was of short  
18 duration.

19 THE WITNESS: Yes. We were just sitting there  
20 and I mentioned to her -- I was telling her that I really  
21 couldn't see why I was here, because, you know, alls I  
22 know is what I said.

23 BY MR. KERR: (Resuming)

24 Q So apart from [REDACTED] and -- what's  
25 Carla's name?

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1 MR. STILES: [REDACTED]

2 BY MR. KERR: (Resuming)

3 Q Carla and [REDACTED] are there any other  
4 people that you have discussed your recollections with?5 A You mean of what I remember about that time?  
6 Probably the chaps that are with me now because I told  
7 them I was coming. I was sitting there and I was telling  
8 him. My wife, of course. [REDACTED]

9 [REDACTED] And that's it.

10 Q So you've not been interviewed by the  
11 Independent Counsel, for example?

12 A No, sir.

13 Q And in terms of the IG, apart from the cable  
14 and the discussions that you had with Carla this morning  
15 there's been no other face-to-face discussion with the  
16 IG?

17 A That's it.

18 Q Office of General Counsel, CIA -- any  
19 discussions with them?

20 A No, sir.

21 MR. STILES: A short one with me.

22 THE WITNESS: Well, just talking with him in  
23 the hall.24 MR. STILES: And, for the record, just to be  
25 clear, he will be interviewed tomorrow by the Independent**UNCLASSIFIED**

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1 Counsel representatives.

2 MR. PEARLINE: And we had a short discussion  
3 of about a half hour before we came down.

4 THE WITNESS: I'm sorry. This gentleman here.

5 BY MR. KERR: (Resuming)

6 Q In terms of recorded recollections, people  
7 making a record of what you told them, do you have any  
8 knowledge of any such records other than the cable you  
9 sent and the transcript that's being made here?

10 A You mean somebody wrote down what I said?

11 Q Yes.

12 A The IG.

13 Q The IG this morning?

14 A Carla.

15 Q This morning?

16 A Yes, sir.

17 Q And you yourself haven't maintained any kind  
18 of diary or other written record?

19 A No, sir.

20 MR. KERR: [REDACTED] I appreciate your coming  
21 in. Washington's lovely at this time of year. I think  
22 you should spend a day or two before you go back to  
23 [REDACTED]

24 (Whereupon, at 4:07 p.m., the taking of the  
25 instant deposition ceased.)

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1 \_\_\_\_\_  
2 Signature of the Witness  
3 Subscribed and Sworn to before me this \_\_\_\_\_ day of  
4 \_\_\_\_\_, 1987.  
5 \_\_\_\_\_  
6 Notary Public  
7 My Commission expires: \_\_\_\_\_

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## CERTIFICATE OF REPORTER

I, MICHAL ANN SCHAFER, the officer before whom the foregoing deposition was taken, to hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Michael Ann Schaffer  
Notary Public

in and for the District of Columbia

My Commission Expires: February 28, 1990

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11/22/85  
22 NOV 85  
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PAGE 001

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22

NOV 85

DIRECTOR 624839

~~SECRET~~

STAFF 22 DIRECTOR 624839

TO: FLASH

SUBJECT: MESSAGE FOR

FROM

1. PLS HAVE REPORT TO OFFICE AND STANDBY FOR SERIES OF MESSAGES.

2. NO FILE. DECL OADR 11/4-82. ALL SECRET. >  
ORIG & RELEASED BY ODO/CO PER AUTHORITY OF C/EUR  
(CLARRIDGE), CL BY

END OF MESSAGE

SECRET

Partially Declassified/Released on 17 AUG 1987  
under provisions of E.O. 12356  
by B. Reger, National Security Council

Local

21 NOV LOCAL

3457

RECEIVED FOR RELEASE

DATE 20 APR 87

HSC/SSC

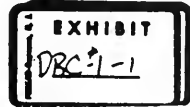
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3. 7C

CIN 2131

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11/22/80 22  
22 NOV 85

65 9003107

ASE

PAGE 001

TOT: 22 NOV 85

DIRECTOR 624939

STAFF 22

DIRECTOR 624939

TO: FLASH

SUBJECT: MESSAGE FOR

FROM

1. PLS HAVE REPORT TO OFFICE AND STANDBY TO ASSIST ON SPECIAL ASSIGNMENT.

2. NO FILE. DECL OADR 4-82. ALL SECRET. >  
ORIG & RELEASED BY DDO/DDO PER AUTHORITY OF C/EUR  
(CLARRIOGE). CL BY

END OF MESSAGE

SECRET

Partially Declassified/Released on 17 Aug 1987under provisions of E.O. 12356  
by B. Reger, National Security Council

21 [REDACTED] EST

REVIEWED FOR RELEASE

Date 20 APR 87

HSC/SSC

.00

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CI/N 2130

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EXHIBIT  
DBC-1-

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22 NOV 85 11/22/85

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PAGE 001  
TOR: 22 NOV 85

IN 9088770

S T 22 NOV 85 STAFF

TO:

SUBJECT: NSC MISSION

REF DIRECTOR 625103

1. [REDACTED] CONTACTED COPP AGAIN AT 0900 HOURS 22 NOVEMBER. AT THAT TIME HE ONLY REQUIRED ASSISTANCE IN VERIFYING TELEPHONE NUMBERS OF PM AND FM. WE DID SO. HE STATED HE WAS ARRANGING TELEPHONE CALL FROM VERY SENIOR OFFICIALS. HE ASKED WE TAKE NO ACTION AT THAT TIME. AT 1250 HOURS [REDACTED] PHONED [REDACTED] WITH URGENT REQUEST FOR ASSISTANCE. HE ASKED [REDACTED] MINISTER OF FOREIGN AFFAIRS HAD APPROVED EL-AL CHARTER [REDACTED] BUT HAD NOT SIGNED PAPER BEFORE GOING TO BRUSSELS. FOR [REDACTED] MINISTER RETURNED TO [REDACTED] BUT WAS OCCUPIED MORNING OF 23 NOVEMBER. [REDACTED] HE NOTED [REDACTED]

AFA, REFUSED TO ISSUE APPROPRIATE SIGNATURE. THIS PUT COPP IN BIND AS [REDACTED] PENDING MINISTER'S SIGNATURE FOR PLANE'S DEPARTURE WAS TWENTY-MINUTES AWAY AT [REDACTED] POINT.

[REDACTED] POINTED OUT THAT IN THIS K [REDACTED] APPROACH CHARGE COULD ALSO EFFECTIVELY ASSIST. COPP [REDACTED] RECOMMENDATION ON BEHALF OF CHARGE, [REDACTED] HE WOULD PHONE WASHINGTON AND ASK THEM TO ALSO ENLIST CHARGE'S HELP. THIS WAS NECESSARY IN [REDACTED] VIEW BECAUSE THE MOMENT WE STARTING PUTTING OVERT PRESSURE ON PM OFFICE AND FM WE OPENED THE VERY REAL POSSIBILITY THAT THE DEMARCHE WOULD GET BACK TO THE AMBASSADOR CREATING A DELICATE POLITICAL PROBLEM.

(3460)

EXHIBIT  
DRC-1-4

3.

4. [REDACTED] THEN PHONED COPP AND ADVISED HIM OF DEVELOPMENTS. HE REPORTED HE HAD TALKED WITH WASHINGTON AND OBTAINED THEIR

REVIEWED FOR RELEASE

Date 20 APR 87

HSC 4652

C/IN 2133

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~~SECRET~~  
UNCLASSIFIED

85 9088770 ASZ

PAGE 002

TOR: 22

NOV 85

IN 9088770

AGR [REDACTED] THE CHARGE ALSO.

[REDACTED] REPORTED CHARGE NOT TO DEPART EMBASSY.  
[REDACTED] HE WAS IN HIS OFFICE AND AGREED TO STANDBY.  
[REDACTED] SHOULD BE ABLE TO ASSIST WITH HIS OVERT CONTACTS

[REDACTED] COPP HAS JUST ADVISED [REDACTED] THAT PLANE HAS MISSED ITS  
[REDACTED] WINDOW BUT [REDACTED] ION COMMANDER IS STILL STANDING BY.  
[REDACTED] IT IS POSSIBLE PLANE WILL TAKE OFF WITHOUT THE  
[REDACTED] WE WILL CONTINUE TO WORK ON THE

6. FILE. HOME. DECL OADR ORV HUM 4-82.  
END OF MESSAGE

~~SECRET~~

REVIEWED FOR RELEASE

DATE 20 APR 87

17524 SSC

C/IN 2132

~~SECRET~~  
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22 Nov - 85

7/13/87 4 max

The cables shown in parentheses are previously transmitted cables which are referenced by the originating office. The time used for the cables is Greenwich Mean Time.

\*Missing cable

\*\*Cable transmitted twice

DIRECTOR

1985

NOV 22

624839 -----  
624939 -----  
\*(625103) -----

625792 -----  
625908 -----  
(625792) -----

Partially Declassified/Released on 29 JAN 88  
under provisions of E.O. 12356  
by K. Johnson, National Security Council

626226 -----  
626449 -----  
626552 -----

5141

NOV 23

(626226) -----  
(626552) -----  
626939 -----  
(626449) -----

627461 -----

627576 -----

627621 -----  
627626 -----  
627627 -----

(627461) -----  
(84591) -----

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## DIRECTOR -

Date

627760	-----	11/24/85
(627760)	-----	
627797	-----	
627896	-----	
(627896)	-----	
(627896)	-----	
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628215	-----	
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628227	-----	
(628227)	-----	11/25/85
628234	-----	
(628234)	-----	
(628234)	-----	
(84599)	-----	
(627576)	-----	
(84600)	-----	
628289	-----	
628303	-----	
628350	-----	
628366	-----	
(628289)	-----	
(628303)	-----	
(628289)	-----	
628681	-----	
(628547)	-----	
628752	-----	
628959	-----	
(628959)	-----	11/26/85
(72697)	-----	
(628366)	-----	
(REDACTED)	-----	11/27/85
631009	-----	
631010	-----	
(628289)	-----	
631110	-----	
631112	-----	
(72724)	-----	
(628366)	-----	
631532	-----	
631683	-----	
631684	-----	
(631684)	-----	11/29/85
638740	-----	12/3/85
(631684)	-----	12/10/85
638702	-----	12/11/86
	-----	1/6/86
	-----	1/23/86

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S E C R E T [REDACTED] DEC 86 STAFF

CITE [REDACTED]

TO: IMMEDIATE DIRECTOR.

[REDACTED] FOR THE INSPECTOR GENERAL FROM [REDACTED]

SUBJECT: [REDACTED] SUPPORT TO NSC MISSION, 22-27 NOV 85.

REF: DIRECTOR 167023

1. ALL [REDACTED] DOCUMENTS INCLUDING INCOMING AND OUTGOING CABLE TRAFFIC DEALING WITH SUBJECT MISSION WERE SHREDDED AND DELETED FROM [REDACTED] IN DECEMBER 1985 CONSONANT WITH THE HIGH SENSITIVITY ACCORDED TO THE MISSION. THE ONLY [REDACTED] PERSONNEL AWARE OF THE MISSION WERE [REDACTED] THE [REDACTED] AND OF COURSE OUR COMMO PERSONNEL. [REDACTED] TOOK ALL ACTION HIMSELF AND DRAFTED ON [REDACTED] ALL OUTGOING COMMUNICATIONS. HENCE, [REDACTED] CLERICAL PERSONNEL WERE NOT INCLUDED IN THE BIGOT LIST. [REDACTED] DOES NOT HAVE A COPY OF DIRECTOR 625103.

2. THE FOLLOWING IS RECONSTRUCTED FROM MEMORY AND MAY CONTAIN MINOR DISCREPANCIES. ALL [REDACTED] ACTIONS WERE FULLY REPORTED IN THE [REDACTED] CHANNEL. [REDACTED] WRITTEN RECORD SHOULD THEREFORE BE CONSIDERED THE AUTHORITY SOURCE.

A. CIRCA 0300 HOURS LOCAL ON 22 NOVEMBER, THE ON DUTY COMMUNICATIONS OFFICER SUMMONED [REDACTED] IN RESPONSE TO A HIAC CABLE. UPON ARRIVAL [REDACTED] CIRCA 0400 HOURS [REDACTED] FOUND TWO HIAC CABLES. ONE, ADDRESSED TO [REDACTED] INSTRUCTED HIM TO STANDBY FOR INSTRUCTIONS FROM THE NATIONAL SECURITY COUNCIL REGARDING A HIGHLY SENSITIVE MISSION. THE SECOND CABLE, ADDRESSED TO [REDACTED] INSTRUCTED HIM TO STANDBY TO ASSIST [REDACTED] AS NEEDED IN PERFORMING A HIGHLY SENSITIVE MISSION FOR THE NATIONAL SECURITY COUNCIL. [REDACTED] ARRIVED, READ HIS MESSAGE AND STOODBY TO ASSIST. NOT MUCH LATER, A THIRD MESSAGE ARRIVED. IT CONTAINED WORDS TO THE EFFECT THAT THE NATIONAL SECURITY COUNCIL DIRECTED [REDACTED] TO CONTACT IMMEDIATELY ALIAS RICHARD COPP AT A SPECIFIED TELEPHONE NUMBER AND TO ASSIST HIM AS REQUIRED IN THE PERFORMANCE OF HIS HIGHLY SENSITIVE CLASSIFIED NATIONAL SECURITY COUNCIL MISSION. THE CABLE SPECIFICALLY DIRECTED [REDACTED] NOT TO DISCUSS THE ASSIGNMENT WITH THE AMBASSADOR.

B. [REDACTED] IMMEDIATELY PHONED THE CITED NUMBER. THE NUMBER TURNED OUT TO BE THAT OF A LOCAL HOTEL. [REDACTED] ASKED THE DESK FOR COPP. A FEMALE ANSWERED THE NUMBER IN COPP'S ROOM AND SAID COPP HAD JUST DEPARTED FOR THE "OFFICE". SHE PROVIDED THE OFFICE NUMBER. [REDACTED] CALLED THE NUMBER. IT WAS ANSWERED BY A [REDACTED] MALE. [REDACTED] WAS SUMMONED TO THE PHONE. [REDACTED] IDENTIFIED HIMSELF AND PLACED HIMSELF AT COPP'S DISPOSAL. AT THAT TIME, COPP SAID HE THOUGHT HE HAD HIS PROBLEM UNDER CONTROL BUT COULD NEED HELP. HE WOULD KNOW BETTER BY 0800 HOURS. [REDACTED] PROVIDED COPP WITH THE NECESSARY PHONE NUMBERS AND TOLD HIM HE WOULD STANDBY [REDACTED] TO ASSIST AS

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[For AL #1283]

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[REDACTED]

REQUIRED. FROM THAT POINT, MATTERS DEVELOPED EXACTLY AS REPORTED IN DETAIL IN THE [REDACTED] TRAFFIC.

C. AS COPP'S PROBLEMS DEVELOPED AND [REDACTED] ATTEMPTED TO ASSIST HIM IN RESOLVING THEM, THE TWO TALKED FREQUENTLY BY PHONE UNTIL COPP'S DEPARTURE ON 24 NOVEMBER. [REDACTED] REMAINED AT [REDACTED] THROUGHOUT THE ENTIRE PERIOD WITH THE EXCEPTION OF [REDACTED] VISITS HOME TO OBTAIN CLOTHING ETC. COPP WORKED OUT OF THE "OFFICE". IT SOON BECAME CLEAR THAT COPP HAD WITH HIM A SECURE COMMUNICATIONS TEAM WHICH WAS SET UP IN THE "OFFICE". THUS, COPP WAS IN DIRECT COMMUNICATION WITH THE NSC IN WASHINGTON. AS EVENTS EVOLVED, [REDACTED] CONCLUDED COPP WAS OPERATING OUT OF OFFICE SPACE PROVIDED BY [REDACTED]

[REDACTED] INDICATED HE WAS A FELLOW OF DOUBIOUS REPUTATION [REDACTED]

[REDACTED] HAD BEEN DEEPLY INVOLVED IN ARMS SHIPMENTS TO IRAN AND ELSEWHERE WHICH ORIGINATED [REDACTED]

D. COPP HAD ESSENTIALLY TWO PROBLEMS: ONE, HE URGENTLY NEEDED [REDACTED] LANDING RIGHTS FOR AN AIRCRAFT COMING FROM ISRAEL, AND TWO, HE NEEDED AN AIRCRAFT FROM [REDACTED] TO CARRY THE AIRPLANE'S CARGO ON TO TEHRAN. [REDACTED] APPARENTLY WAS THE LOCAL CONTACT WHO WAS TO ARRANGE FOR THE TWO ITEMS. [REDACTED]

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E. AS EVENTS DEVELOPED, COPP TURNED TO [REDACTED] TO URGENTLY ASSIST IN OBTAINING THE LANDING RIGHTS AND THE SECOND AIRCRAFT. COPP QUOTED [REDACTED] AS SAYING THAT [REDACTED] WAS SUDDENLY BEING DIFFICULT AND WERE NOT MAKING A PLANE AVAILABLE AS PROMISED. AS THE [REDACTED] TRAFFIC INDICATES, [REDACTED] ATTEMPTED TO ASSIST ON BOTH COUNTS. [REDACTED] IN TRAFFIC TO HEADQUARTERS AND BY PHONE TO COPP OBSERVED THEY WERE TAKING THE WRONG APPROACH TO GET [REDACTED] PERMISSION FOR LANDING RIGHTS. ALL SOURCES INDICATED [REDACTED] PLANNED TO DEAL CORRECTLY AND FORMALLY WITH THE USG, RIGHTLY OR WRONGLY. THE [REDACTED] BELIEVED THAT [REDACTED]

[REDACTED] IN THE FACE OF THIS DETERMINATION, COPP HAD THE DIFFICULT PROBLEM OF PERSUADING [REDACTED] TO PERMIT HIM AT THE LAST MOMENT TO MOUNT HIS MISSION. [REDACTED] RECOMMENDED TO HQS AND COPP THAT THE MOST SECURE AND EFFICIENT MEANS TO OBTAINING LANDING RIGHTS WOULD BE TO [REDACTED]

[REDACTED] AND URGENTLY REQUEST [REDACTED] FOREIGN MINISTER'S PERSONAL INTERVENTION. [REDACTED] WAS DIRECTED BY HEADQUARTERS NOT TO [REDACTED] AND TO PROCEED IN ASSISTING COPP PULLING OUT ALL STOPS. [REDACTED]

[REDACTED] BY THIS TIME, COPP HAD ADVISED BY PHONE THE MISSION WAS "HUMANITARIAN" IN NATURE [REDACTED] ALSO APPROPRIATELY VIA AN INTERMEDIARY CONTACTED THE HEAD OF [REDACTED]

[REDACTED] DECLINED HE WAS WILLING TO CHARTER AN AIRCRAFT BUT ONLY HAD TWO APPROPRIATE FOR THE MISSION AND NEITHER WAS IN COUNTRY, ONE IN [REDACTED] AND ONE IN [REDACTED] IF MEMORY SERVES CORRECT.

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PRIVATE COMM

G. BY THE AFTERNOON OF 22 NOVEMBER COPP AGREED THE BEST APPROACH HAD BECOME ASKING THE CHARGE TO MAKE A DEPARTURE TO THE FOREIGN MINISTER. HE RECOMMENDED SAME TO WASHINGTON. [REDACTED] WAS INSTRUCTED TO BRIEF THE CHARGE AND ENLIST HIS ASSISTANCE. [REDACTED] DID SO. FROM THAT POINT ON [REDACTED] COORDINATED

ACTIVITY OF CHARGE WITH COPP. AS THE RECORD SHOWS, THE [REDACTED] WERE FORMAL AND CORRECT IN THEIR RESPONSES AND GUIDED OVER MUCH OF THE WORDING OF THE REQUEST. AT SOME POINTS, ACCORDING TO COPP, MACFARLANE WHO WAS IN ROME TALKED TELEPHONICALLY WITH THE FOREIGN MINISTER AND PRIME MINISTER. SOMEBODY BEYOND [REDACTED] HAD DECIDED TO LAUNCH THE PLANE FROM ISRAEL BEFORE LANDING RIGHTS WERE OBTAINED. THE PLANE REACHED THE GO OR NO GO POINT BEFORE [REDACTED] WERE SATISFIED AND RETURNED TO ISRAEL. COPP DEPARTED [REDACTED] ON 24 1 0598 NOVEMBER FOR SWITZERLAND AND THEN ISRAEL WHERE HE SAID THEY WERE HAVING DIFFICULTY LOADING THE EQUIPMENT INTO A SECOND PLANE AS THE FIRST WAS NO LONGER AVAILABLE.

3. [REDACTED] (AND THROUGH HIM THE CHARGE) WAS NOT BRIEFED ON THE MISSION'S OBJECTIVE UNTIL CIRCA 1100 HOURS ON SATURDAY 23 NOVEMBER. UNTIL THAT TIME THEY ONLY KNEW THEY WERE SUPPORTING A SENSITIVE NSC MISSION THAT INVOLVED A PLANE FLYING FROM ISRAEL [REDACTED] WITH A CARGO THAT HAD TO BE RELOADED AND CARRIED TO TEHERAN IN A SECOND PLANE. [REDACTED] AND CHARGE, GIVEN THE INVOLVEMENT OF ARMS MERCHANTS [REDACTED] AND THE USE OF THE PHRASE "MURAMITARIAN MISSION", MADE THE OBVIOUS ASSUMPTION. SOME KIND OF NSC OPERATION WAS ON THAT COULD BE INTENDED TO FREE HOSTAGES. BEFORE APPROACHING THE FOREIGN MINISTER, THE CHARGE ASKED TO BE ASSURED THAT SECRETARY SHULTZ WAS AWARE OF THE OPERATION AND THE REQUEST THAT HE APPROACH THE GOVERNMENT. THESE ASSURANCES WERE GIVEN.

4. AT CIRCA 1030 ON 23 NOVEMBER DURING A PHONE CONVERSATION, COPP ASKED IF [REDACTED] KNEW WHAT THE MISSION WAS ALL ABOUT. [REDACTED] REPLIED HE COULD MAKE SOME GUESSES BUT HAD NOT BEEN INFORMED. COPP OPINED THAT [REDACTED] CHARGE SHOULD KNOW IN ORDER TO ASSIST. AT 1100 HOURS ON 23 NOVEMBER COPP AND [REDACTED] MET IN [REDACTED] CAR FOR TEN MINUTES IN THE PARKING LOT OF A NEARBY HOTEL. THIS WAS THE ONLY DIRECT MEETING BETWEEN THE TWO. COPP ADVISED THAT THE PLANE WAS CARRYING MAW MISSILES WHICH WERE BEING TAKEN TO IRAN AS PART OF A SENSITIVE MISSILES FOR HOSTAGES DEAL. HE NOTED THE IRANIS WERE HIGHLY SUSPICIOUS AND DID NOT TRUST THEM AND THEY THEREFORE WERE UNDER EXTREME PRESSURE TO GET THE MISSILES TO TEHERAN AT THE AGREED UPON TIME. THIS WAS THE ONLY EXPLANATION GIVEN. SINCE THIS WAS THE FIRST TIME [REDACTED] WAS ABLE TO TALK WITH COPP WITH A FAIR DEGREE OF SECURITY [REDACTED] ADVISED THAT HE BELIEVED THEY HAD GONE ABOUT THE OPERATION IN SOMEWHAT LESS THAN A PROFESSIONAL MANNER. [REDACTED] EXPRESSED MISGIVINGS ABOUT [REDACTED]

ALSO, THE EFFORT AT THE AIRPORT ON THE EVENING OF 23 NOVEMBER PROBABLY DOOMED THE EFFORT TO FAILURE. [REDACTED] TWO MEN, ONE BEING [REDACTED] AND ONE BEING AN UNIDENTIFIED AMERICAN FROM THE NSC, ATTEMPTED TO INTERCEPT THE PRIME MINISTER'S PARTY AT THE AIRPORT WHEN RETURNING FROM A NATO MEETING IN BRUSSELS. THE PRIME MINISTER REACTED STRONGLY AND NEGATIVELY TO THIS APPROACH AND VIEWED ALL SUBSEQUENT CONTACTS WITH SUSPICION. [REDACTED]

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[REDACTED] IN SHORT [REDACTED] STRONGLY  
 RECOMMENDED THAT IN FUTURE OPERATIONS OF THIS NATURE THAT  
 INVOLVED [REDACTED] THAT WE COULD BE MUCH MORE SUPPORTIVE IF  
 BROUGHT IN SOONER AND THAT THE BEST AND MOST SECURE WAY TO  
 OBTAINING LANDING PERMISSION WOULD BE TO ASK THE AMBASSADOR TO  
 DISCREETLY APPROACH EITHER THE FOREIGN MINISTER OR PRIME  
 MINISTER. COPP TOOK THE ADVICE IN GOOD SPIRIT.

[REDACTED] AND THE CHARGE BRIEFED THE AMBASSADOR [REDACTED]  
 ON THE ABOVE DEVELOPMENTS WHEN THE AMBASSADOR RETURNED  
 TO COUNTRY.

6. FILE: NONE. DECL DAOR ORV [REDACTED]  
 END OF MESSAGE

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Stenographic Transcript of

HEARINGS

HSITS - 180 /87

Before the

SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE

TO IRAN AND THE NICARAGUAN OPPOSITION

UNITED STATES SENATE

CIA IDENTITY "A"

DEPOSITION OF [REDACTED]

Tuesday, May 5, 1987

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Partially Declassified/Released on 7 JAN 88  
under provisions of E.O. 12356  
by K. Johnson, National Security Council

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Washington, D.C.

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DEPOSITION OF [REDACTED]

Tuesday, May 5, 1987

United States Senate

Select Committee on Secret

Military Assistance to Iran

and the Nicaraguan Opposition

Washington, D. C.

Deposition of [REDACTED], called

as a witness by counsel for the Select Committee, at the offices of the Select Committee, Room SH-901, Hart Senate Office Building, Washington, D. C., commencing at 10:40 a.m., the witness having been duly sworn by MICHAL ANN SCHAFFER, a Notary Public in and for the District of Columbia, and the testimony being taken down by Stenomask by MICHAL ANN SCHAFFER and transcribed under her direction.

Partially Declassified/Released on 7 JAN 88  
under provisions of E.O. 12356  
by K. Johnson, National Security Council

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## 1 APPEARANCES:

2 On behalf of the Senate Select Committee on Secret  
3 Military Assistance to Iran and the Nicaraguan  
4 Opposition:

5 DANIEL FINN, ESQ.

6 On behalf of the House Select Committee to  
7 Investigate Covert Arms Transactions with Iran:

8 ROBERT A. BIRMINGHAM, ESQ.

9 On behalf of the Central Intelligence Agency:

10 KATHLEEN A. MCGINN, ESQ.

11 Assistant General Counsel

12 DAVID PEARLINE, ESQ.

13 Office of General Counsel

14 Central Intelligence Agency


15 Washington, D. C. 20505

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3

1	C O N T E N T S		
2		EXAMINATION ON BEHALF OF	
3	WITNESS	SENATE	HOUSE
4			
5	By Mr. Finn	4	
6	By Mr. Bermingham		95
7	By Mr. Finn	100	
8	By Mr. Bermingham		102
9	By Mr. Finn	103	

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SECRET NO FOR

4

## P R O C E E D I N G S

Whereupon,

called as a witness by counsel on behalf of the Senate  
Select Committee and having been duly sworn by the Notary  
Public, was examined and testified as follows:

## E X A M I N A T I O N

B Y M R . F I N N :

Q Would you state your name for the record?

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Pages 5, 6 and 7

DENIED IN  
TOTAL

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A

Q I understand there were different days perhaps when you might have been present or [REDACTED] might have been present.

A That's correct. I worked during the weekdays

and [REDACTED] would come out and work. For example, during this time frame [REDACTED]

[REDACTED] both of us worked Monday through Friday.

Sometimes we'd work through the weekend two weeks straight. The majority of the time, Monday to Friday. Both of us would return [REDACTED] for the rest of the weekend.

Q Were the contras receiving supply flights from other places [REDACTED] at the time that you arrived [REDACTED]

A Okay. My understanding was different than what I saw, and I'll speak for what I saw. Humanitarian aid flights began to come in in, I believe it was,

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1           sometime around the March time frame. I am guessing at  
2           dates because it was a while back and, to be quite  
3           honest, [REDACTED] you lose track of time and  
4           dates.

5           Q     By humanitarian flights do you mean flights  
6           supported by the NHAO program of the State Department?

7           A     Correct, NHAO.

8           Q     Prior to these humanitarian flights from NHAO  
9           appearing [REDACTED] were you aware of other resupply  
10          flights of any sort, humanitarian or non-humanitarian,  
11          that got to the contras [REDACTED]

12          A     No, sir. [REDACTED]

13          Q     After the humanitarian flights began, were  
14          there also other non-NHAO flights arriving [REDACTED]

15          A     When the private benefactors came on the scene  
16          there were occasions when they could fly in [REDACTED]  
17          with equipment on board the airplane, and that was rare.  
18          It wasn't anything I remember happening often, but they  
19          would come in with equipment on board the aircraft.

20                I do know that the majority of the equipment  
21          that they were bringing in was generally repair parts,  
22          supplies to keep the airplanes flying.

23          Q     Was there a period which you had experience of  
24          prior to the appearance of the private benefactors when  
25          [REDACTED] was receiving resupply by air [REDACTED]

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TOP SECRET/CODEWORD

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1 let's say by FDN-chartered aircraft  
2 [REDACTED]

3 A No, sir. I don't remember this at all  
4 [REDACTED]

5 [REDACTED]  
6 Of course, I wasn't privy to everything they  
7 did at that time either. You have to understand I was  
8 new there [REDACTED]  
9 [REDACTED]

10 Q To the best of your recollection, then, you  
11 did not provide any information [REDACTED] in the  
12 form of intelligence reports or other documentary  
13 materials or oral reports which would have suggested that  
14 supplies were being received by the contras [REDACTED]  
15 by air?

16 A No, sir, to the best of my recollection, no.  
17 This all began when the NHAO flights began to arrive.

18 Q I see. When, to the best of your  
19 recollection, did the private benefactor air crews and  
20 their activities begin to occur [REDACTED]

21 A Well, again I'm guessing at dates, but I think  
22 it was sometime around the March time frame, March '86.

23 Q And how did they make their appearance?

24 A They showed up. They flew in on a Caribou C-7  
25 aircraft.

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10-1 STRIKE DOWN

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1 Q That's a C-7A Caribou?

2 A I'm not sure if it has the A or not. It's a  
3 C-7 Caribou. And I always meet every aircraft that comes  
4 [REDACTED] as a courtesy to the people on board. As I  
5 went up to the airplane I noticed something very unusual;  
6 Americans got off of it. And they came up to me and said  
7 we were told to come in here and to work with the FDN and  
8 that we're supposed to report to you to find out what  
9 we're supposed to do.

10 Q Were you surprised at that?

11 A I was shocked.

12 Q You had not heard any indication from anyone  
13 that such an aircraft or air crew would be arriving?

14 A I had no idea at all this aircraft was  
15 arriving. So I immediately contacted [REDACTED]

16 [REDACTED] to find out who these people were, where they  
17 were from.

18 Q You mean [REDACTED]

19 A Yes, [REDACTED] to find out who they were  
20 and what they were supposed to be doing, what they were  
21 authorized to do as far as resupply drops. They did tell  
22 me they were going to be resupplying, if I was going to  
23 interact with them in any way. And the answer I was  
24 given at the time was, geez, we don't know; we're going  
25 to have to find out.

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10-1 STRIKE DOWN



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12

1 Q You just said that they told you that they  
2 would be resupplying or conducting some resupply  
3 activities. By "they" you mean the air crew?

4 A The air crew, yes, sir. They were down to fly  
5 resupply missions.

6 Q Did you ask them who had told them that they  
7 should report to you?

8 A Yes, sir.

9 Q What was their answer to that?

10 A They didn't know. These people didn't know  
11 who they were employed by, where they were, from what  
12 source they were being paid, who was directing their  
13 operations. They only thing they knew was they left  
14 [REDACTED] and went to [REDACTED] which eventually led to  
15 numerous problems for them. One, pay problems; they  
16 didn't even have anybody to report to, that their  
17 employer was delinquent by a couple of months making  
18 their pay. There were things they needed for their  
19 aircraft that they couldn't get as far as parts,  
20 supplies, emergency equipment.

21 And, you know, they would ask me how could  
22 they get that stuff, and I'd say, geez, you know, I don't  
23 know. I don't even know who you guys are.

24 Q Did they describe at all the arrangements that  
25 they experienced in [REDACTED] or, let's say, around the

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A No. I have always maintained, and I still do,

3

4

that what they do is their business and what I do is my business. If I don't ask them questions, generally they won't ask me questions about my work.

6

7

8

they understood the

9

relationship and that they don't care to discuss the nature of their work.

10

11

Q Did you know any members or have any

12

acquaintance with any members of the first crew that arrived?

13

14

A I didn't know anybody personally.

15

16

17

18

19

20

21

Q Did you ask them their names when you met

22

them?

23

A Oh, yes, sir. I knew all their names.

24

Q Do you recall now what the names of the first crew that arrived were?

25

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OF SECRET/NOFORN

14

1           A    No, sir. I sure don't. There were so many  
2 crews that came in there it would have been, unless I  
3 kept a diary, impossible to keep up with it. I think the  
4 first captain that came in was [REDACTED]. And I  
5 believe the first kicker that came in was a gentleman  
6 named [REDACTED]. And I cannot remember who the co-pilot was,  
7 but I believe the mechanic's name was [REDACTED].

8           These aircraft would come in on Monday to  
9 [REDACTED] and depart on Friday, as a general rule, unless  
10 there was some mechanical problem requiring them to stay  
11 over.

12          Q    So when these guys appeared and told this  
13 story about how they were supposed to interact with you  
14 and you called [REDACTED]

15 [REDACTED]  
16 [REDACTED]  
17           A    [REDACTED]  
18 [REDACTED]  
19 [REDACTED] I did  
20 call in.  
21 [REDACTED]  
22 [REDACTED]  
23 [REDACTED]  
24 [REDACTED]  
25 [REDACTED]

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OF SECRET/NOFORN

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15

Q So you called back who first,

A

But the bottom line of the whole thing was they didn't know who these people were, who they were working for, who they represented or anything.

So they, [REDACTED] sent a message [REDACTED] to headquarters requesting everything that we knew about these people and how I was supposed to interact with them. It was a lengthy period of time before we got a clear readout on who they were, and actually the readout never was definitive as to whether they were -- as to anything, because I don't believe, and this is speculation on my part, that the organization ever really got a firm handle on it. And that is, you know, just speculation.

[REDACTED] I was given instructions that I was supposed to treat them in the same manner that I was treating the FDN, and the reason for that is because they were, to my understanding, contracted to the FDN to work for them, and now by

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1 treating them the same way I treated the FDN [REDACTED]

2 [REDACTED] I  
3 could not plan operations for them.

4 [REDACTED]  
5 [REDACTED] If they wanted  
6 intelligence, it had to be specifically requested and it  
7 was more or less a hands-off policy for these private  
8 benefactors, the same way I was dealing with the FDN.

9 Q Do you recall who gave you the instructions to  
10 treat this new air crew in the same manner as the FDN?

11 A No, sir.

12 Q Would you have ordinarily received such  
13 instructions [REDACTED]

14 A Yes, sir, of course.

15 Q And that would be [REDACTED]

16 A My instructions came from [REDACTED]

17 [REDACTED] But  
18 you have to understand these instructions pretty much  
19 were very limiting and that I had nothing I could do with  
20 the FDN either. I was not in a position to offer  
21 assistance to them in any way.

22 Q Except to the extent that you could share  
23 intelligence with them [REDACTED]  
24 [REDACTED]

25 A That was my understanding. And, sir, to

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17

1 clarify that a bit, there was only one occasion in the  
2 entire time [REDACTED]  
3 [REDACTED] there was only one occasion in which there  
4 was an exchange of intelligence, where I gave  
5 intelligence to them.

6 Q We can get to that. I guess what I'd like to  
7 find out is who would you go to to receive such  
8 operational guidance ordinarily [REDACTED] Would that  
9 be [REDACTED]

10 A I would call [REDACTED]

11 Q So you would deal with him directly pretty  
12 much on these kinds of things?

13 A [REDACTED]

14 [REDACTED] but I mean [REDACTED] was [REDACTED] and  
15 would answer these questions. And, to the best of my  
16 recollection, it was very limiting as to what I was to do  
17 with them, was basically a hands-off, don't mess with  
18 these people because we don't know what they're doing.

19 Q Well, a hands-off policy would be different  
20 from a policy that you have just described, wouldn't it?

21 A Well, okay. Let me back up a little bit. I  
22 don't remember them saying you can give them  
23 intelligence, and I doubt seriously anybody ever told me  
24 that. But the policy was following was to treat them in  
25 the same manner as I treated the PDN.

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1 Now, you know, that takes an interpretation  
2 on my part. If I'm treating them the same way I'm  
3 treating the FDN [REDACTED]

4 [REDACTED] I therefore would  
5 be put into the same situation with the private  
6 benefactors.

7 Q Did you feel any discomfort about the nature  
8 of your instructions versus the situation that existed at  
9 [REDACTED]

10 A At the time when the private benefactors  
11 arrived on the scene [REDACTED]

12 [REDACTED]  
13 I was tickled to death to see anything happen  
14 to benefit the contras at that time. These people were  
15 like saviors coming down as far as I was concerned.

16 You see, at this point in time we can look  
17 back on this subject and see that this group maybe wasn't  
18 sponsored by the U.S. Government. To me it would bring  
19 this group to my attention a lot more than it would back  
20 then. It was just another group of pilots. You know if  
21 these guys had come in there and they were Chinese, I  
22 would have felt the same way and I would have treated  
23 them the same way.

24 It didn't matter to me that there was another  
25 group coming in. All I saw is there was an airplane and

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19

1 a crew that had arrived and they were going to become  
2 part of the FDN resupply operation.

3 Q Do you believe you provided sufficient  
4 information back to [REDACTED] that [REDACTED] would  
5 understand that you would potentially share intelligence  
6 information, that you would have contacts with these guys  
7 and have discussions with them?

8 A I don't think that it was anything that was  
9 ever thought about. It was a very insignificant thing,  
10 other than there was an airplane and pilots there. At  
11 that time there was no reason to suspect that this group  
12 was funded by somebody else. You know, at the time my  
13 first assumption was well, these guys are probably  
14 working for us and I just haven't been told about it.  
15 And that's what I wanted to find out.

16 My initial question to [REDACTED] was are they  
17 Agency employees. And [REDACTED] didn't know and [REDACTED]  
18 [REDACTED] didn't know. It required headquarters  
19 communication.

20 Q You said ultimately you came to believe that  
21 they were contractors for the FDN.

22 A Yes. I always believed that they were working  
23 directly for the FDN.

24 Q And how did you arrive at that conclusion?

25 A Because they didn't know who they were and

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20

1 they were working for the FDN. They were working  
2 directly for the FDN. [REDACTED]  
3 [REDACTED]  
4 [REDACTED]  
5 [REDACTED]  
6 [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
9 [REDACTED]

10 Now I figured since these guys said that  
11 they were sent from [REDACTED] maybe it was something that  
12 was arranged between [REDACTED] and [REDACTED]  
13 [REDACTED] over there to send this group over to assist in

14 the operations. And I thought more for the better.

15 Q Did you have any reason to think that these  
16 individuals, this air crew, was associated with the NHAO  
17 program?

18 A Negative. I never thought that there was any  
19 connection whatsoever. For one, the aircraft that the  
20 private benefactors were flying were antiques and in  
21 probably about the worst mechanical shape you could ever  
22 expect an aircraft to fly in. The NHAO flights that came  
23 down were in beautiful, brand new L-100 aircraft, the  
24 most beautifully painted things. I mean, you could see  
25 there was a difference between the two.

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21

1                   At no time did they ever indicate to me that  
2                   there was a connection between the two. But there was  
3                   one point, and at the time I did not even put a lot of  
4                   thought into it, but I do remember the Caribou crew being  
5                   on the ground and one of the NHAO flights being on the  
6                   ground. If I remember correctly, it was a Southern Air  
7                   Transport. And the two crews got together and they were  
8                   talking while the plane was being offloaded.

9                   Well, I didn't know if that indicated that  
10                  they were part of one another. But this was later on in  
11                  the program. And, if I remember correctly, they were  
12                  talking about an operation that they were going to do  
13                  [REDACTED] and I inferred from that conversation it  
14                  would be with the L-100, if I remember correctly. And  
15                  this is -- I have a difficult time placing dates on what  
16                  happened, but I think that was the same time that this  
17                  plane loaded a load of cargo and departed [REDACTED]

18                 Q     This plane being the L-100?

19                 A     The L-100. And it's the only time that I  
20                  think that I remember any material ever being backhauled  
21                  [REDACTED] on these flights.

22                 Q     And did that include lethal material at that  
23                  time?

24                 A     Sir, I don't know what went on the aircraft.  
25                  Now I file an intel report on all items that come into

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22

1 [REDACTED] and all items that depart [REDACTED] so it's a  
2 matter of record somewhere.

3 Q On that subject, the reports that you would  
4 file about primarily the stuff that was coming in, I  
5 believe there was a period in which NHAO flights were not  
6 permitted to come in directly from CONUS, from the United  
7 States [REDACTED] using the L-100s or other aircraft.  
8 Do you recall such a period?

9 A That information wouldn't get to me. I mean,  
10 when the L-100s would arrive and I heard the engines  
11 reversing I knew the aircraft was [REDACTED]

12 Q Let me ask it this way. Was there a period in  
13 which humanitarian supplies and possibly other supplies  
14 were coming in [REDACTED] not on L-100s but on other  
15 shorter-range aircraft?

16 A The only aircraft that I remember coming [REDACTED]  
17 [REDACTED] were L-100s. There were two companies that  
18 transported this -- Southern Air Transport out of Miami  
19 and Mark Air Transport out of Alaska. I never remember  
20 any other aircraft in the entire time [REDACTED]

21 [REDACTED] to bring in supplies [REDACTED]  
22 [REDACTED]  
23 [REDACTED]

24 Q So you don't recall the C-7s being used to  
25 bring supplies [REDACTED] at all?

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23

1           A    No, sir. I've already mentioned that there  
2 were times when they came [REDACTED] and  
3 I'm sorry I assumed you meant that they were separate  
4 from what we're talking about. No. The C-7s  
5 occasionally would bring in equipment [REDACTED]

6           Q    Okay. And was it your understanding that some  
7 of the supplies that were coming in [REDACTED] on the  
8 C-7s were NHAO-provided supplies?

9           A    No, sir. I never had any idea where they were  
10 from. I didn't know if it was something provided by [REDACTED]  
11 [REDACTED] or who. It wasn't anything I knew  
12 about.

13          Q    So your knowledge was confined to knowing that  
14 certain supplies had arrived and whereupon you would file  
15 a report?

16          A    That was it exactly.

17          Q    You never discussed with anyone what the  
18 nature of those supplies was in the sense of who had  
19 provided them?

20          A    Throughout -- well, the nature of the UNO/FDN  
21 logistics system is set up such that we are a receiving  
22 point and a delivery point. The level of logistics in  
23 the FDN is low enough that they are not privy to the  
24 information of where articles come from or who pays for  
25 it. So [REDACTED] when a cargo would arrive it was

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24

1 offloaded from the aircraft. It would be inventoried. A  
2 manifest would be made of the items that came in, and it  
3 would be sent to [REDACTED] their  
4 headquarters, where the record is maintained.

5 Now those people, I'm sure, had some idea of  
6 where it came from and the customer and all that.



23 Q When did the second C-7 appear on the scene?

24 A Okay. If I recall correctly, the second one  
25 came in about -- it was just a matter of a couple of


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FOR SECRET CODEWORD

25

1 weeks after the first one. But when the second one came  
2 in the first one was no longer there. The only reason I  
3 knew it was a different aircraft was because it was  
4 painted different.

5 Then a couple weeks later, or a month -- I'm  
6 not even sure -- they painted the tan aircraft the same  
7 color as the other one -- camouflage. And at that point  
8 I never had any idea which aircraft was which aircraft.  
9 It really didn't make any difference to me which aircraft  
10 was there. Only one aircraft operated [REDACTED] at  
11 a time.



12  
13  
14  
15  
16 Q What was your understanding concerning what  
17 these aircraft were doing for the FDN?

18 A Okay. The aircraft crew didn't even  
19 understand what they were authorized to do. They wanted  
20 to fly missions inside of Nicaragua, but they didn't know  
21 if they could. They didn't know the legality of the  
22 thing, if they were going to be authorized to, and they  
23 kept looking to me to find out if I was going to give  
24 them the go-ahead to do something like that, which of  
25 course I never did because I never knew.

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1 But they didn't know where their orders were  
2 going to come from, which they finally did receive orders  
3 from somewhere that you will begin to fly missions  
4 inside.

5 [REDACTED]  
6 [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
9 I was able to collect [REDACTED] on  
10 each flight and destination of each flight -- so, in  
11 other words, weight, tonnage, and individual items -- and  
12 also the commandante and regional commander it was being  
13 delivered to.

14 Q So this was obviously a fairly good [REDACTED]  
15 [REDACTED] on the exact nature of the supplies that  
16 were reaching the contras in the field?

17 A Yes, sir, exactly.

18 Q Did these reports indicate from the beginning  
19 that lethal as well as non-lethal supplies were on board  
20 the resupply aircraft, or did it start non-lethal and  
21 then contain lethal later?

22 A There has never been to me a clearcut  
23 description of what is lethal and what is non-lethal. I  
24 view a uniform in the same manner I view a holster or  
25 anything else that a soldier uses in the line of his

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1 duties. But I will just finish up on this. The drops  
2 made inside for the most part were lethal.

3 Q By lethal you mean contained arms and  
4 ammunition as well as other things?

5 A Arms primarily. At that time it was arms,  
6 ammunition, and clothing -- boots and uniforms. And  
7 throughout all of the UNO/FDN resupply missions, even up  
8 to this point, there was very little food ever supplied  
9 to the FDN inside, or UNO.

10 Q So you said the first C-7 Caribou arrived  
11 sometime in March.

12 A To the best of my recollection.

13 Q The second one a few weeks later?

14 A Yes.

15 Q Then there was a period of uncertainty when  
16 the crews didn't even themselves seem to know what their  
17 mission was when they showed up [REDACTED]

18 A That's correct. And during that time frame  
19 when they didn't know, they were running regular flights,  
20 three to four flights a day, to do resupply [REDACTED]  
21 [REDACTED]  
22 [REDACTED]  
23 [REDACTED]

24 They made -- I don't remember the numbers. It  
25 was a lot less, I'd say, less than a half dozen flights

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1 [REDACTED] probably three flights to [REDACTED]  
2 [REDACTED] and that was  
3 primarily to deliver -- I remember a couple of flights  
4 where they delivered lumber for their hospital provided  
5 by the NHAO.

6 Q How much time went by before the crews  
7 actually, if they appeared in March, approximately when  
8 did they start doing flights inside Nicaragua [REDACTED]  
9 [REDACTED]

10 A It seemed to me it was a month and a half, a  
11 month, two months. And again I'm trying to recall from a  
12 period of time which I'm not able to remember dates.

13 Q During the period in which they were only  
14 making drops along [REDACTED] was  
15 there also lethal supplies in the sense of arms and  
16 ammunition on board, or did that phase in? Did they  
17 start humanitarian and then go lethal?

18 A Okay. At the time there was not much being  
19 sent into [REDACTED] in a real  
20 lethal sense of arms and ammunition. The majority of the  
21 equipment being delivered in both places, to the best of  
22 my recollection, the equipment was uniforms, boots and  
23 [REDACTED] where the majority of  
24 all the flights were, food. There were a lot of people  
25 to support there and I would say the greatest bulk of all

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1 cargo dropped [REDACTED] was food.

2 Q But, on the other hand, once the flights  
3 started going into Nicaragua you think that pretty much  
4 from the beginning they contained arms and ammunition?

5 A Arms and ammunition. It was primarily lethal.  
6 It made sense, you know. You give the arms and  
7 ammunition to the people that need it the most and the  
8 number one priority is for the soldier inside.

9 Q Now when did the C-123 aircraft first make  
10 their appearance?

11 A Okay. He came in one time that I remember,  
12 and I can't even begin to guess when it was, but it was  
13 during the time that they were doing their runs, their  
14 preliminary deliveries. But after the Hasenfus aircraft  
15 was shot down the other one returned [REDACTED]

16 Q When did the C-123, let's say, first become  
17 visible to you or apparent to you?

18 A It was probably around May or June, and I'm  
19 guessing again, sir. I'm sorry.

20 Q When did you become aware of the fact that  
21 there were two C-123 aircraft?

22 A I never did.

23 Q Until you saw one after the other one had been  
24 shot down?

25 A Correct. I did hear that there was more than

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1 one, but it never became obvious to me. That aircraft  
2 landed one time [REDACTED] and went back [REDACTED] and  
3 I don't remember the aircraft even doing an operation  
4 while it was there.

5 Q The 123?

6 A Yes. It came in and, if I remember correctly,  
7 had engine problems and had to return.

8 Q So to the best of your knowledge the only  
9 drops inside of Nicaragua, with the exception of the one  
10 that we all know about that went down, were made by the  
11 C-7a?

12 A [REDACTED] The drops made inside of  
13 Nicaragua were made with the Caribous and that was it, to  
14 the best of my knowledge.

15 Q You said that you didn't connect the private  
16 benefactor flights with NHAO.

17 A Correct.

18 Q An individual who you are probably familiar  
19 with, Ian Crawford, testified to us and makes reference  
20 in his testimony to something that occurred I believe in  
21 approximately May of last year. Let me read this to you  
22 since we don't have additional copies of it.

23 A C-123 lands [REDACTED] apparently. The  
24 air crew consists of the pilot, Cooper, and other  
25 individuals. Apparently they are having a barbecue at

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1 [REDACTED] which is probably one of the basic ways to eat  
2 there, and Crawford says the following. He says:  
3 "During the barbecue from around the corner of the  
4 barracks an entourage of about eight or ten people. They  
5 seemed to be Americans. They walked directly up to us.  
6 There was a very distinguished-looking gentleman in the  
7 middle." He goes on: "This man comes out. He  
8 introduced himself as Ambassador Deumling from the U.S.  
9 State Department."

10 Do you recall an episode in which Deumling  
11 approached these crews when they were on the ground at  
12 [REDACTED]

13 A No, sir.

14 Q According to this account by Crawford,  
15 Deumling stated "are you the flight crew flying that  
16 aircraft out there?" And they, the crew responded, yes,  
17 we are the flight crew. And Deumling goes on like that  
18 and says, "are you the flight crew to that bird? I need  
19 to know, because if you are with that bird and if Dick  
20 Gadd, if you work for Dick Gadd, you can talk to me."

21 And then Crawford continues: "Well, in this  
22 group of other people standing around [REDACTED] and [REDACTED] were  
23 there, and they are both nodding their heads and winking  
24 to us like tell them anything you want." Do you recall  
25 this episode?

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1           A    No, sir. There was a time when Ambassador  
2 Deumling did come down, but I never remember -- I don't  
3 remember that situation.

4           Q    You don't remember encouraging the air crews  
5 to speak to Deumling?

6           A    No. I wouldn't go winking my eyes at somebody  
7 to tell them to talk to someone else, no, sir. If I  
8 wanted someone to talk to someone else for any reason, I  
9 would tell them you can talk to this individual.

10          Q    Well, I can certainly appreciate that.

11          A    And also, sir, I'm not in a position to tell  
12 an Ambassador who to talk to and not talk to.

13          Q    What I'm getting at here is according to  
14 Crawford's account you and [REDACTED] were present at a  
15 situation which seemed to tie these people together with  
16 NHAO and Crawford apparently believed that yourself and  
17 your colleagues were somehow aware of a possible  
18 relationship between their operation and Deumling's  
19 program. Is that incorrect, that you were not aware of  
20 it and you don't recall such an incident having occurred?

21          A    I don't remember this incident, and I know for  
22 a fact that at the time that those people were there,  
23 especially when the 123 was there or all through the  
24 private benefactor time, maybe it was that I wasn't smart  
25 enough to see it, but I just never even thought about

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1 there being a connection between the private benefactors  
2 and the NHAO group, because, like I said, they were two  
3 different type of aircraft, two different complete set of  
4 personalities between the crews.

5 And also the fact that the NHAO flights were  
6 coming in and departing right away. They didn't do any  
7 work for us. They were delivering cargo, which I was  
8 told in advance I'd be receiving. And that was it.

9 Q So you do recall a visit by Deumling during  
10 this period?

11 A Yes, sir. I do recall a visit from Deumling,  
12 but I do not ever remember this encounter, and I can  
13 assure you that I don't remember any winking of eyes or  
14 acknowledging of this stuff.

15 Q I am sure there is probably some embroidering  
16 here, but what I was getting at is whether you had, let's  
17 say, any reason to have any knowledge about the  
18 connection of these activities with the NHAO program.

19 A No, sir. It was something that just never --  
20 I mean, it wasn't anything. There was nothing to cause  
21 me to try to put these two together.

22 Q What was your understanding of your duties,  
23 let's say with respect to the NHAO program? Was your  
24 charter simply to collect intelligence on the supplies  
25 [REDACTED] or were you also, let's say,

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1 briefed on the NHAO program and told to perform  
2 activities that would help the CIA and other agencies  
3 monitor the NHAO program?

4 A The only thing that I was doing out there with  
5 the NHAO flights [REDACTED]

6 [REDACTED] This was humanitarian aid, and I  
7 just treated all of it the same. When the flights came  
8 in, I'd go out there. I'd meet the crew. I'd watch the  
9 people offload it. They would do their inventory of the  
10 equipment that came in. [REDACTED]

11 [REDACTED] I would  
12 [REDACTED] do an intel report.

13 Outside of that, there was no other work-  
14 related connection with this organization at all. I  
15 mean, they were very nice people, just like the private  
16 benefactors were very nice people. But there wasn't  
17 anything else I could do except report what they had  
18 brought in.

19 Q Now Crawford also states, concerning this  
20 episode with Ambassador Deumling -- and I'll have to  
21 correct the date on that. Apparently Crawford stated  
22 that that was on or about April 16 of '86.

23 A I can't remember the date, even if it was,  
24 because I don't remember when the Ambassador was there.

25 Q I just wanted to just give you the date which

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1 Crawford uses. And apparently at that time the air crew  
2 had explosives on board the aircraft when Deumling  
3 approached. Do you recall that?

4 A On the 123?

5 Q Well, let me take that back. It may have been  
6 a C-7. I must say it's not clear from this account  
7 whether it's a C-7 or 123. The 123 is there, and I'm not  
8 sure which aircraft he's referring to in his account.  
9 But anyway the issue seemed to be, the problem seemed to  
10 be that this particular crew was ferrying explosives and  
11 there seemed to be some concern that that would be  
12 revealed to Deumling.

13 Does that assist your recollection?

14 A No, sir. I'm sorry.

15 Q So you don't recall reporting on that or  
16 discussing it with anyone outside

17 A No, sir.

18

19

20

21

22 Q Do you recall more about the delegation, let's  
23 say, the group that was with Deumling? Crawford said  
24 there were six or seven individuals. Do you recall who  
25 they might have been?

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1           A    No, sir, I don't. At the time we had  
2 delegation upon delegation of Congressmen and staffers  
3 coming down and, I mean, after a while, you know, the  
4 names of Congressmen really started blending all  
5 together, so it would be impossible for me to pick this  
6 one out. And, you know, if Crawford said he saw a group  
7 of people walking like that, quite possibly he did.

8           Q    Crawford also says that the following day,  
9 which he says was approximately April 17 of 1986 that you  
10 claimed to have received a message [REDACTED] that the  
11 aircraft was supposed to depart [REDACTED] immediately and  
12 apparently, it's not quite clear from his testimony here,  
13 but that you might have thrown some things on a rack and  
14 told them they had to get out of there immediately.

15                   Do you recall anything along those lines?

16           A    No, sir. [REDACTED]  
17 [REDACTED]  
18 [REDACTED]

19                   I never gave orders  
20 to these aircraft. They didn't work for me. I couldn't  
21 order them out of that base to begin with. At the time,  
22 [REDACTED]

23                   I didn't have the authorization to tell  
24 anybody to move. [REDACTED] maintains that  
25 authorization even today.

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TOP SECRET VOO-NOU  
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1           Q     Let me read you this and let me have your  
2           comment on whether this is accurate or not. Crawford  
3           states the following: "The following day, the 17th of  
4           April '86, we are waiting to go [REDACTED] and load the  
5           plane. It gets to be about lunchtime and I laid down for  
6           a nap. Everybody else is in the mess hall and [REDACTED] comes  
7           up to me and wakes me up and he is anxious and nervous  
8           and he says, you have to get out of here, you and that  
9           bird has to get out of here."

10                   I guess your grammar wasn't too good that day.  
11                   (Laughter.)

12                   "I'm questioning him why, you know, we have to  
13           get out, and he won't tell me." Do you recall this  
14           incident?

15           A     No, sir. I do recall that airplane being told  
16           to leave, but it did not go through our channels. First  
17           of all, Ian Crawford has said a number of things [REDACTED]  
18           [REDACTED] that tend to  
19           glorify whatever's happening or to make his position look  
20           like he was in a position to make a decision on whether a  
21           plane would stay or leave or what was authorized to move  
22           on it.

23                   Ian Crawford was a kicker on this airplane.  
24           It's an important job on the airplane, but the captain of  
25           the aircraft makes all these decisions. Now I don't

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1 remember if it was Ambassador Deumling that came in on  
 2 this particular day, but I do remember an entourage of  
 3 people, Congressional staffers or whatever they were --  
 4 it could have been Deumling -- walking with me past [REDACTED]

5 [REDACTED]  
 6 but I'm not sure if there was [REDACTED]

7 [REDACTED] and I do remember seeing the C-123  
 8 over in the corner.

9 I had just come on base. And as we walked  
 10 past it [REDACTED] were discussing what this airplane  
 11 was. Now that airplane was ordered out of there.

12 Q This was in the period in question, let's say  
 13 in April of '86?

14 A I would assume it was the same incident, but I  
 15 do not know where those orders came from to move that  
 16 thing, and I can assure you if I had received orders from  
 17 wherever that this airplane had to get out [REDACTED] or  
 18 whatever, I would have gone directly to the captain of  
 19 the airplane. I would have never gone over and disturbed  
 20 poor Ian Crawford from his sleep to beg him to leave.

21 Q Let me read you the rest of the story so you  
 22 can comment on it, too. So Crawford continues: "We go  
 23 to the mess hall. We get [REDACTED] Cooper and [REDACTED] over

24 [REDACTED] These are apparently three other members of the  
 25 crew -- [REDACTED] Cooper, and somebody named [REDACTED] -- who

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1 supposedly are at your place.

2 Then Crawford says: "He" -- and I believe he  
3 means you -- "is helping throw luggage up on the bunk so  
4 we can get going. [REDACTED] comes down and says  
5 what's going on. [REDACTED] says we have to leave." And he  
6 continues further: [REDACTED] comes out and says it has come  
7 over [REDACTED] It will come over the contra radio here  
8 in a little bit. You may as well load up because you  
9 guys got to get that aircraft out of here."

10 You don't recall anything like this?

11 A No, sir. No, sir. I wouldn't move any of  
12 their bags anyhow. I don't remember any of this ever  
13 occurring.

14 Q Do you remember somebody named [REDACTED]?

15 A No, sir, I don't remember [REDACTED]

16 MR. BIRMINGHAM: I think he's a [REDACTED]  
17 mechanic.

18 THE WITNESS: I do remember a [REDACTED]  
19 mechanic, but I can't relate the name to him.

20 BY MR. FINN: (Resuming)

21 Q Not a Chinese?

22 A No. Sir, I'd like to point out at no point in  
23 this am I insinuating that Crawford is making these  
24 stories up. I don't ever remember any of that happening,  
25 though. Nothing. The only thing I do remember is

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1 walking past [REDACTED] and I do remember they had  
2 a concern over what that C-123 was doing out there, and I  
3 just know that the airplane departed the next day, and I  
4 assumed that a message came down from -- and this is an  
5 assumption -- that it came through normal channels, which  
6 would be [REDACTED] to the FDN, and then an FDN pass  
7 from there to [REDACTED] saying get it out of here.

8 Q But no one in your recollection, no one ever  
9 told you about that message or what the reason was for  
10 the message?

11 A To my recollection, no sir. I don't even  
12 remember this whole incident where I supposedly told them  
13 they had to leave.

14 Q Okay. To summarize on the aircraft, then, it  
15 was your understanding that the two C-7s were chartered  
16 by the FDN and initially made drops to [REDACTED] locations  
17 more or less [REDACTED] but subsequently began to  
18 make drops including lethal supplies into Nicaragua?

19 A They came there not knowing who they were,  
20 what they were. They started making drops [REDACTED]  
21 [REDACTED] and after a period of time which I can't  
22 remember they started making them inside Nicaragua.

23 Q Who was directing them, as far as you could  
24 determine?

25 A They were working for [REDACTED] as far as

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1 I was concerned.

2 Q So he was operationally in charge of the C-7s  
3 when they operated out [REDACTED]

4 A They pretty much had a general idea of what  
5 they were doing, but as far as the operation itself --  
6 the drop zones where they would be going to, the  
7 coordinates, and the type of equipment that would be put  
8 on that aircraft for drop -- was all under the control of  
9 [REDACTED]

10 Q Did the FDN put any personnel on board the  
11 aircraft to help guide the aircraft or anything like  
12 that?

13 A FDN kickers would be used to go along with the  
14 aircraft and, if I'm not mistaken, they started to train  
15 FDN pilots to fly the Caribou. But it was terminated or  
16 stopped shortly thereafter because one of them made a  
17 comment to me they were afraid that maybe there are some  
18 Sandinistas amongst them and they would steal our  
19 aircraft. So they stopped training them altogether.

20 Q Now with respect to the 123s, let's say you  
21 knew there was one. You were aware there might be  
22 another, and to the best of your knowledge you were not  
23 aware that they did anything out [REDACTED] except pass  
24 through on at least one occasion and one time apparently  
25 fly [REDACTED] to [REDACTED]

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1 A Yes, sir. That's it.

2 Q And what happened when the news of the  
3 Hasenfus shootdown occurred? Was there any activity  
4 relating to the 123s that you could observe or the C-7s?

5 A The day after or two days after, I forget --  
6 it was shortly after -- Hasenfus went down, all of the  
7 remaining aircraft, I guess, that they had over there --  
8 I don't know what they had, but all the aircraft that I  
9 had seen returned to [REDACTED] That was two Caribous and  
10 one C-123. And they were using a Maule -- it's a light,  
11 single-engine aircraft -- to transport pilots from  
12 [REDACTED] back [REDACTED] And they told me they were  
13 cleaning house and getting out of town.

14 Q One final thing on that. What was the  
15 ultimate disposition of the aircraft? Did some of them  
16 end up at [REDACTED]

17 A They all stayed there. They all remained  
18 there. The pilots and crews all left [REDACTED]

19 [REDACTED]  
20 [REDACTED]  
21 [REDACTED]  
22 [REDACTED]  
23 [REDACTED]  
24 [REDACTED]

25 Since that time the C-123 was repaired. It

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1 was not flyable. Neither one of the Caribous were  
2 flyable after they landed. But they repaired the 123,  
3 flew it out. My understanding was it went to [REDACTED]  
4 They came in and repaired a Caribou. It flew out, went  
5 to [REDACTED] right now a Caribou sitting out  
6 on the ramp [REDACTED] and it's serving as a big  
7 paperweight. It's not good for anything. I mean, they  
8 can't get it flying. I don't know if anybody can.

9 Q Were you ever told where the crews that were  
10 evacuated by the Maule aircraft went in the sense of went  
11 immediately? Did they go [REDACTED]

12 A No. My understanding was they were returning  
13 [REDACTED]

14 Q And all the crews fit on one flight of the  
15 Maule?

16 A No, sir. It was shuttling.

17 Q A few more questions on the way these aircraft  
18 were used because a lot of this is about as clear to us  
19 as it was to you, I think. You knew they were being  
20 loaded by the FDN, especially now this is all the C-7a.  
21 Basically you knew they were being loaded by the FDN at  
22 [REDACTED] and making drops for the FDN. Were you also  
23 aware that they were coming in loaded with supplies from  
24 [REDACTED]

25 A I can't remember particular items coming in,

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1 but I do know that they brought in cargo [REDACTED] on  
2 occasion. See, the problem is they would land and I'd  
3 hear the Caribou coming in. And after they were there a  
4 couple times, you know, I didn't run down there to greet  
5 the airplane and say hi to the guys. I had other work to  
6 do. I knew they were on the base.

7 Q Did you get manifests of the aircraft if they  
8 arrived with cargo?

9 A Yes, sir. Cargo would come in. But, like I  
10 say, I can't remember what type of cargo it was.

11 Q Do you recall that most of the time they were  
12 coming in with cargo or did they deadhead most of the  
13 time?

14 A No, sir. I can't remember them coming in all  
15 the time with cargo, and I can't even speculate as to the  
16 percentage of time they came in with cargo.

17 Q So their primary mission, as far as you could  
18 determine, was the drops inside Nicaragua?

19 A Exactly.

20 Q Not shuttling [REDACTED]

21 A Drops inside [REDACTED] and Nicaragua. My  
22 impression of it was, and also from what they told me,  
23 was the only reason they went back [REDACTED] was  
24 because that's where they lived. They would fly during  
25 the week, return [REDACTED] on the weekend, enjoy a

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1 weekend off, and come back and start business again on  
2 Monday. And I never looked at it as though this was some  
3 kind of method to get a cargo into [REDACTED] because, for  
4 one thing, the Caribou doesn't carry that much cargo.  
5 It's a very light cargo aircraft.

6 Q And you are not aware of any great shuttle  
7 activity containing, let's say, NHAO or other non-lethal  
8 supplies?

9 A No, sir.

10 Q From [REDACTED] using C-7s or any other  
11 aircraft?

12 A No, sir.

13 Q And specifically you are not aware of any  
14 shuttling activity involving [REDACTED]?

15 A None. I don't remember [REDACTED] being used  
16 for anything like that. Now you have to understand there  
17 are times when I'm not there, and that is a possibility,  
18 but I do not personally remember any [REDACTED] flights  
19 shuttling equipment [REDACTED]  
20 [REDACTED]

21 Q Well, thanks for that summary of the air  
22 thing. Why don't we move on to some of the celebrated  
23 events?

24 Did you recognize Crawford when he first made  
25 his appearance on scene?

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1 A Did I recognize him?

2 Q Did you know Crawford?

3 A No, sir.

4 Q When did Crawford first appear?

5 A I don't remember the date but from what he is  
6 saying there it sounds like he arrived there sometime  
7 early in the project. I don't remember. Like I stated  
8 before, there were numerous craws that came in, and I  
9 can't place one crew at a particular time.

10 Q Now, as you are, I am sure, well aware,  
11 Crawford alleges that sometime in May of '86 you  
12 permitted him to get on board a CIA helicopter that was  
13 making a flight of some kind either inside Nicaragua or  
14 at least to the border area.

15 A Okay. He claimed that the helicopter went  
16 inside of Nicaragua [REDACTED] on the  
17 Nicaraguan side of the border. I did authorize him to  
18 fly into there. His request was could I fly on board the  
19 helicopter so that I can see what the area looks like on  
20 the ground that we are dropping to three or four times a  
21 day. They were flying and dropping on [REDACTED]

22 The purpose of the flight  
23 was for me to go in there [REDACTED]  
24 [REDACTED]  
25 [REDACTED]

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1 [REDACTED]  
 2 [REDACTED] I went in there specifically for that  
 3 purpose.

4 When I got to the helicopter to go in there, I  
 5 mean -- let me back up just a little bit. The situation  
 6 [REDACTED] there was  
 7 very dangerous. The MI-25s were patrolling [REDACTED]  
 8 which required a lot of coordination with ground forces  
 9 there, [REDACTED]  
 10 [REDACTED] to determine if it was all right.

11 My concern was not what was on board that  
 12 helicopter when I got to it. My concern was to get that  
 13 airplane in as fast as I could, that helicopter as fast  
 14 as possible [REDACTED] spend as little time on the  
 15 ground, jump out of the helicopter and let that  
 16 helicopter return to a safe location because a [REDACTED]  
 17 helicopter is child's play for an MI-25.

18 And [REDACTED]  
 19 [REDACTED] the Sandinistas would shoot  
 20 down a helicopter [REDACTED] given the  
 21 opportunity to do so.

22 Q To where did helicopters, CIA helicopters  
 23 operating out [REDACTED] make trips?

24 A Where did they make trips?

25 Q Right, to what locations.

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1 A Okay. Generally helicopters made trips to  
2 [REDACTED] from other sites.

3 Q To [REDACTED]

4 A Let me explain it to you this way. A  
5 requirement would be established. A request would be  
6 made for an aircraft, and that aircraft would be  
7 scheduled for that day to do a job. If it was two hours,  
8 it was two hours; sometimes it turned into four hours or  
9 six hours. But an aircraft was scheduled to do work for,  
10 generally, a particular base for the day. At my base I  
11 was more like a transit point where a helicopter would  
12 pass. He would get fuel, cargo or whatever and move on  
13 to another one.

14 Q Or your base would be a destination for some  
15 reason?

16 A Of course.

17 Q Where would these other sites be between which  
18 the helicopter flights would occur [REDACTED] Would  
19 you exchange flights? You mentioned [REDACTED]

20 A There were approximately three flights into  
21 [REDACTED] and that was it. They ended after that -- out of  
22 [REDACTED]

23 Q During your entire time?

24 A In my entire time [REDACTED]


25 Q What were the purpose of the flights [REDACTED]

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1           A    All of them were to gather intelligence [REDACTED]  
2           [REDACTED] and in each instance intel reports were written.  
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5 Q Now you acknowledge that you permitted  
6 Crawford to get on board this flight

7 A Yes.

8 Q Were you on that flight yourself on the  
9 helicopter?

10 A Yes, sir.

11 Q Where were you located? Were you in the  
12 copilot's seat or were you in the back with everyone  
13 else?

14 A I can't remember. I'm sure I was in the back.  
15 You know, I feel certain I was in the back because for  
16 any flight that would be considered dangerous you have a  
17 pilot and a copilot, and I do remember a pilot and  
18 copilot on it. I had to be in the back.

19 Q Do you now recall observing on that flight, to  
20 the extent you can recall a particular helicopter flight,  
21 that there were containers or, let's say, crates that  
22 appeared to be the type that would be suitable for lethal  
23 material?

24 A I saw crates which -- it's a standard type of  
25 box, wooden container -- that would contain ammo or

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1 something like that, yes, sir.

2 Q Do you recall them being labeled clearly as  
3 containing explosives?

4 A No, sir.

5 Q How large were these crates? On the  
6 assumption that they contained explosives, could that be  
7 in the area of 200 to 300 pounds worth of explosives?

8 A Sir, I can't even remember what type of box it  
9 was. You know, I do vaguely remember wooden boxes being  
10 on board the aircraft, and to me it was no concern, you  
11 know, whether it was hand grenades or C-4 or small arms  
12 ammunition or what. I can't even remember the  
13 configuration of the box. But when this helicopter would  
14 land, the doors would sling open even before it touched  
15 the ground and as soon as it started getting low you  
16 started pitching stuff out, because we didn't want to  
17 spend any time there.

18 Ian Crawford jumped out of the helicopter to  
19 help throw the stuff, jumped back on, and he went back  
20 with the helicopter.

21 Q And you stayed?

22 A I stayed.

23 Q How often would you go on helicopter flights  
24 to one of these other locations?

25 A I went three times. To my recollection, it

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1 was two or three times.

2 Q In all the time you've been there?

3 A In all the time I've been there.

4

5

6

7

8 Q So what you meant was you went  
9 perhaps twice or three times?

10 A Yes, sir.

11

12

13

14 Q Now on this particular flight where Crawford  
15 was on board, do you recall that there was these boxes  
16 that were suitable for lethal material?

17 A Correct.

18 Q Were similar boxes on other flights that you  
19 were on board?

20 A No, sir. I don't even know that we took  
21 anything in on other flights. If we did take something  
22 I'm sure it was food substance because the people were  
23 starving. I mean, that was more important than anything.

24 Q Was it your practice to ride in the passenger  
25 area of the helicopter for the most part?

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1           A    When going [REDACTED] yes, sir, because we  
2    would use a pilot and a copilot on the helicopter.

3           Q    What about the other areas? [REDACTED]  
4    [REDACTED] would you sit in the copilot's seat  
5    or in the passenger area?

6           A    Well, if there was nobody else in the  
7    helicopter I'd jump up in the copilot's seat.

8           Q    Let's say what proportion of the time would  
9    you ride in the passenger part versus in the crew area?

10          A    I would be guessing, sir. I don't know. The  
11   only time I ever would jump up in the copilot's seat,  
12   like I said, is if it was vacant, because I know  
13   basically how to fly the helicopter and it would be for  
14   safety reasons.

15          Q    We know of exactly one helicopter flight and  
16   we know that that flight contained explosives. I guess  
17   what I'm asking you is are there a lot of other flights  
18   that you had direct experience of, and what I'm asking  
19   you is how many of those flights contained explosives or,  
20   let's say, other items that appeared to be lethal?

21          A    Okay. To the best of my recollection, the one  
22   flight [REDACTED] was the only one with  
23   the boxes, and, like I say, I have no idea what was in  
24   the boxes. But, you know, I've never seen an instance  
25   where ammunition was taken out of a box and something

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1 else put in it. So I assume it was ammunition of some  
2 sort. That was the only one I never knew of, [REDACTED]  
3 [REDACTED]

4 There were other flights [REDACTED]  
5 [REDACTED] carrying lethal aid, if that's what  
6 you are asking me.

7 Q Yes, thank you. What kind of lethal aid would  
8 that be?

9 A Arms and ammunition, boots, uniforms.

10 Q What quantity of arms and ammunition would  
11 there be?

12 A Well, the most you could put on a helicopter  
13 would be 3,000 pounds. Most pilots never want to go over  
14 2,000 to 2,500 pounds. I only had one pilot that I knew  
15 of that would even consider putting 3,000 pounds in his  
16 helicopter.

17 Q Are you saying that you are aware of numerous  
18 flights [REDACTED]

19 A I'd say various.

20 Q Various flights, okay, [REDACTED]  
21 in which the helicopter contained, let's say, from a ton  
22 to a ton and a half of what appeared to be lethal  
23 equipment?

24 A Yes, sir.

25 Q And what was the nature of the lethal

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1 equipment that was carried?

2 A The nature? You mean item identity?

3 Q I mean you said only on this one occasion [REDACTED]

4 [REDACTED] do you recall the boxes that may have contained  
5 explosives or anything.

6 A Sure.

7 Q What was the usual type of lethal equipment  
8 that you would observe?

9 A There was no usual. It was just whatever the  
10 FDN needed to move.

11 Q Were there boxes of ammunition?

12 A I'm sure there were boxes of ammunition,  
13 weapons.

14 Q Crates of weapons?

15 A Sure, or mortar rounds, mortar ammunition.

16 Q What was unique about these boxes that were on  
17 the [REDACTED] helicopter that makes them different from the  
18 boxes that you would use for the mortars?

19 A All ammunition boxes are constructed in the  
20 same manner, the same basic form. It's just they are  
21 different sizes. So there is no basic difference.

22 Q So on various flights there were boxes that  
23 would be suitable for lethal equipment?

24 A Yes, sir.

25 Q Were you ever given any instructions

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1 concerning how to treat that sort of equipment as far as  
2 the CIA's helicopters were concerned?

3 A You mean as authority to do it?

4 Q No, whether you were supposed to inspect cargo  
5 to see that the Agency's assets are not used for  
6 transporting lethal or whether you were to supposed to  
7 either accept it or not accept it if the contras put it  
8 on board? Was there any policy about that?

9 A Yes, there was. Of course there was, but I'm  
10 not sure I understand your question exactly.

11 Q Well, what were your instructions concerning  
12 how lethal equipment should be treated in the event the  
13 contras proposed to put some on board a CIA helicopter?

14 A Okay. It was my understanding that movement  
15 of lethal material was against the law.

16 Q Well, how did you rationalize that  
17 understanding with what actually happened?

18 A Just from what I had heard about the  
19 restrictions.

20

21

22 Q Well, if it was your understanding that was  
23 against the law, then why did you permit, when you  
24 observed this equipment in the hold of the helicopter,  
25 why did you permit it to remain there?

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1           A     Okay. The initial movement of this equipment,  
2     to the best of my recollection, started during the  
3     incursion, the first incursion, and my understanding is  
4     the movement of it was initiated by a request from  
5     [REDACTED] to [REDACTED] to get the equipment from point A  
6     to point B, which generally is [REDACTED]. It came to my  
7     attention right away, and it did to a number of other  
8     people in the project who were also concerned about this,  
9     and it was brought up with the boss, [REDACTED] in a  
10    staff meeting.

11           Q     Do you recall when that meeting occurred?

12           A     No, sir, I certainly don't. And it wasn't  
13    just talked about on one occasion. It's been discussed  
14    on various occasions. Anyhow, I asked at the end of the  
15    staff meeting, while everybody was still there, or I  
16    basically mentioned that I thought we were violating the  
17    law in moving this equipment by project aircraft, and I  
18    felt that the day was going to come when an investigation  
19    was going to run on this stuff and we would have to  
20    answer questions about it.

21           Q     How true. What was the response to that?

22           A     The response was the FDN will not survive  
23    until lethal aid is approved unless they are assisted.

24           Q     Was that [REDACTED] response?

25           A     Yes, sir, and that we would continue to move

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1 the equipment.

2 Q Did [REDACTED] ever indicate to you that he had  
3 discussed that policy or his decision with anyone higher  
4 up in the organization?

5 A No, sir.

6 Q Given your feelings about the possible  
7 illegality involved in this and the risks of becoming  
8 involved in this kind of thing for the Agency and for  
9 yourself personally and everyone involved, did you try to  
10 take this yourself to a higher level? Did you go to [REDACTED]  
11 [REDACTED] or anyone else?

12 A No, sir.

13 (A brief recess was taken.)

14 MS. MC GINN: Let me clarify that I believe  
15 the witness was speaking about whether he did anything at  
16 that time that the incidents were occurring.

17 THE WITNESS: That's correct.

18 MR. FINN: Thank you. That was the intent of  
19 the question from the context. But obviously  
20 subsequently you did and we recognize that. So the  
21 question was only intended to address that, let's say, at  
22 the time at which you raised that issue originally.

23 BY MR. FINN: (Resuming)

24 Q You mentioned previously that [REDACTED] told  
25 you that there reason that the Agency assets would be

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1 used to support these materiel deliveries was that the  
2 FDN would not survive until support was obtained again  
3 from the United States Government. Did you pursue the  
4 issue with him, or did he state where that decision came  
5 from?

6 A I can just recite to you exactly or rehash  
7 with you exactly what happened at the meeting. The  
8 normal business of the meeting was terminated and we take  
9 turns going around the room with each one of us saying  
10 whatever we have about either our operation or any  
11 problems we have. At that time I brought up the question  
12 of the legality of our moving materiel, not just lethal  
13 aid but materiel in project helicopters for the FDN or  
14 the <sup>Kisan</sup> [REDACTED], and stated that I thought that the movement  
15 of these materials was illegal.

16 And that's when he said that he felt that the  
17 FDN would not survive until the point at which they could  
18 obtain lethal aid or assistance from us and that we would  
19 continue to move this equipment as we had been doing.  
20 That's when I mentioned that I thought that if we weren't  
21 very careful with this we were going to end up in the  
22 middle of an investigation at some point in time. And it  
23 ended right there.

24 Now I operate always under the assumption that  
25 my supervisor knows much more than I know and is privy to

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1 information that I'm not privy to. I receive orders to  
2 do a job; I do the job regardless.

3 Q Was that only an assumption on your part or  
4 did you have some reason to believe that [REDACTED] decision  
5 and policy that the CIA helicopters would continue to be  
6 used to facilitate these deliveries, that this was a  
7 decision which had been consulted at a higher level and  
8 which he was in effect relaying to you?

9 A Okay. You are asking me for an opinion and  
10 that's exactly what this is. My opinion was that it was  
11 only [REDACTED] doing this and it was not consulted with  
12 anybody else.

13 Q And you are not aware of any evidence that  
14 there was a higher level approval for it?

15 A Never. Never at any time.

16 Q Have you gone over these matters subsequently  
17 with [REDACTED]

18 A Yes, sir.

19 Q Is it still, based on the subsequent  
20 discussions with him, has he told you again now that it  
21 was his decision?

22 A No, sir.

23 Q Has he indicated otherwise?

24 A Yes, sir.

25 Q What is he saying now concerning how that

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1 decision was made?

2 A Okay. It must have been around the March time  
3 frame.

4 Q You mean March of this year?

5 A That's right. I was called in [REDACTED] to  
6 discuss the investigations which would be coming up and  
7 primarily to find out about the <sup>Ian</sup> Ian Crawford incident  
8 where he claimed that I went [REDACTED] with him, and I  
9 mentioned the fact or he was curious to know if there  
10 were lethal materials on board that aircraft at that  
11 time. At the time I told [REDACTED] that I thought that my  
12 recollection was not very clear and that if Ian Crawford  
13 had in fact stated that he had been on board a helicopter  
14 with me, then chances are he was, and also that if he  
15 claimed there was lethal material on board the helicopter  
16 the chances are that there were, that I had no reason to  
17 ever doubt this individual.

18 At that point [REDACTED] wanted to know what I  
19 was doing moving lethal material, and, you know, to me it  
20 was a surprise. So I just said, well, you knew good and  
21 well that we were moving lethal material, and he didn't.  
22 And I requested a third party at that point because I  
23 didn't enjoy being put in that position. I wanted  
24 everything in the future with the investigations coming  
25 up to be remembered, and I wanted a third party to be

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1 able to handle that.

2 We then went to [redacted] office, [redacted]  
3 office, because we felt that a problem was at hand. At  
4 that point we went into [redacted] office. It was just  
5 [redacted] myself. And after talking  
6 about a few other things we got on the subject of  
7 movement of lethal material, which [redacted] denied he ever  
8 gave authorization for us to do in the staff meeting.

9 By the time the meeting had terminated, [redacted]  
10 had admitted to authorizing movement in particular  
11 instances for movement of lethal material and it was  
12 basically during the times of the incursions, the two  
13 incursions.

14 Q Did [redacted] give you any reason to believe  
15 that [redacted] was following [redacted] policy?

16 A [redacted] never said anything, but I feel with all  
17 my heart, just from the expression on the man's face and  
18 his attitude toward the whole thing, that this was the  
19 first time [redacted] had ever heard anything about  
20 movement of any type of material in our helicopter for  
21 the FDN or <sup>Kisan</sup> Cuban or UNO.

22 Q [redacted] Clair George made a  
23 trip to Central America and visited [redacted]

24 [redacted] Were you present [redacted] when  
25 Clair George visited?

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1 A Yes, sir,

2 [REDACTED]

3 [REDACTED]

4 [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 Q Did you discuss with Clair George when you  
9 were there this whole story about Crawford and the lethal  
10 supplies?

11 A He asked me if I took him down there. He  
12 said, did you really take this guy down there with you.

13 Q Before we continue, where did he ask you this  
14 -- [REDACTED]

15 A [REDACTED] He said, did you really take  
16 this guy down there with you? And I said, I'm not sure,  
17 sir. I said, but if he claims to have ridden in a  
18 helicopter with me down there I have no reason to doubt  
19 the man.

20 Q Did Clair George also ask you about the lethal  
21 supplies on board the helicopter?

22 A Yes, sir. Let me back up. I told Clair  
23 George also I don't believe, I don't remember this guy  
24 going down there, and I said I don't remember ammunition  
25 or any lethal material being on the helicopter. That's

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1 exactly what I told Clair George. But I said there is a  
2 chance, if that man said that he did it, I have no reason  
3 to doubt him. And, like I said, this thing was mentioned  
4 with the lethal material. I could not remember that well  
5 at the time.

6 Q So if you told Clair George that you had no  
7 reason to dispute Crawford's recollection, then certainly  
8 Clair George must have become aware that Agency  
9 helicopters were being used, were being permitted to fly  
10 lethal material?

11 A No, sir. I think by my answer I left  
12 sufficient doubt that it's quite possible, equally as  
13 possible, that nothing was ever moved. You see, he asked  
14 me did you really move this guy down there, and it's  
15 difficult for me to reconstruct this exactly as it was  
16 said, sir, but I believe I said that I don't remember  
17 this guy going down. I don't remember the movement of  
18 lethal materials, but if he said he did it, then I have  
19 no reason to doubt him.

20 So it left enough doubt there. You know, I  
21 didn't know what I was talking about at the time.

22 Q Who else was present when you spoke to Clair  
23 George?

24 A [REDACTED] I think [REDACTED] was  
25 probably out of earshot. [REDACTED] heard it. And I

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1 can't remember if [REDACTED] was there or not. Yes, he was.  
2 [REDACTED] was there, but I think he was off on the side  
3 talking to [REDACTED] when that question was presented  
4 to me.

5 Q Do you have any reason to believe that [REDACTED]  
6 Clair George, [REDACTED] and [REDACTED] or any combination of  
7 these people discussed this issue any further during that  
8 trip either [REDACTED]

9 A That would be entirely speculation on my part.  
10 Q Let me ask you. I understand that you were  
11 interviewed previously [REDACTED] by Bob and Tom  
12 Polgar of our staff.

13 A Yes.

14 Q When did you decide to change the story and  
15 for what reason?

16 MS. MC GINN: Object to the question.

17 BY MR. FINN: (Resuming)

18 Q Have you changed your story on this?

19 A The story was changed, yes, sir.

20 Q Can you tell me why?

21 A Okay. I didn't have the benefit [REDACTED]

22 [REDACTED] that people have back here and I had  
23 just basically heard that I ran a mission into Nicaragua  
24 with ammunition and Ian Crawford on board the helicopter.  
25 To me that really didn't come across as any truth to me

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1 because I know for a fact I had never been inside of  
2 Nicaragua at any point in my job.

3 Q Let me ask you a small question about that.  
4 Were there ever any situations in which the helicopters,  
5 for one reason or another, might have put down on the  
6 Nicaraguan side [REDACTED]?

7 A I know of none in the entire time I have been  
8 there or before my time there -- never.

9 Okay. Now when I arrived here in Washington I  
10 had seen an account [REDACTED] but it never jogged  
11 my memory as this one did. It discussed Ian Crawford  
12 talking to me about wanting to go [REDACTED] and at that  
13 point I did remember clearly that Ian Crawford talked to  
14 me. He mentioned to me at the time he was bored, the  
15 airplane was down, and that he would like very much to  
16 fly into the area that they were doing their daily drops  
17 on to see what it was like on the ground level.

18 I know as a kicker you always have a different  
19 perspective from the air than you do on the ground, and I  
20 thought there was no problem with it. I had to go in  
21 there anyhow. The trip was not arranged for the purpose  
22 of him going in there, that's for certain. [REDACTED]

23 [REDACTED]  
24 [REDACTED]  
25 Q Now let's say your superiors in the Agency, at

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1 least [REDACTED] to your knowledge, became aware that  
2 the Agency's helicopters were, let's say, on various  
3 occasions being used to assist the supply of lethal  
4 equipment to contra locations along the border. [REDACTED]

5 [REDACTED]  
6 [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
9 all the individuals  
10 who were interviewed in the CIA, and certainly yourself,  
11 had not put this story together. Were you under any  
12 instructions by anyone in the CIA to withhold this story  
13 prior to your telling it, to withhold it from  
14 investigators prior to your telling it now?

15 A No, sir.

16 Q Or prior to your telling it, let's say, last  
17 week to Tom Polgar?

18 A No, sir. It never was. Nobody ever told me  
19 to withhold this information. The truth of the matter  
20 is, many times I was tempted to go speak with [REDACTED] and  
21 discuss this matter with him, but I didn't because in our  
22 organization you have a respect for your leader. You  
23 don't question him, and it's absolutely not kosher to go  
24 above your boss to his supervisor to tell him what your  
25 boss is doing. My feelings at the time were I'm not

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1 being paid an SIS salary and that's not my point, to make  
2 decisions like that. I'm doing my job as I'm instructed  
3 to do my job, and if there is -- well, that's it.  
4 Basically that's it.

5 But let me emphasize that I don't even know  
6 from what you just said a second ago that [REDACTED]  
7 or [REDACTED] or Clair George had any knowledge of this  
8 [REDACTED]

9 Q Well, I believe if we go back to what you said  
10 you'd have to assume that [REDACTED] had that  
11 knowledge because you had discussed it with him at his  
12 office.

13 A Yes, sir. Let me put it up to that point of  
14 the meeting, and then I don't know at all whether that  
15 was even passed on higher than that.

16 Q No<sup>W</sup> apparently you were interviewed by the  
17 CIA's Inspector General concerning the story you are  
18 giving us now.

19 A Yes, sir.

20 Q Did you contact the Inspector General with  
21 additional information or did their office contact you  
22 with a request for additional information?

23 A I have never requested a meeting with anybody.

24 Q Did the Inspector General inform you why they  
25 were having an additional interview with you at this

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1 time?

2 [REDACTED]  
3 Q Did they tell you [REDACTED]

4 why they were seeking an interview?

5 A I had already had something like four  
6 meetings, and I figured this is just going to go on until  
7 Reagan leaves office.

8 Q That may be true.

9 Let me reconstruct that. When did you have  
10 meetings with the Inspector General on various subjects?

11 A The first time [REDACTED] I guess it was in  
12 March. I spoke with the Inspector General at that time.

13 [REDACTED]  
14 someone [REDACTED] from the IG staff, I  
15 believe, and I had no reason to discuss anything with  
16 him.

17 Q That was in March?

18 A No. The one in March I discussed this with.  
19 There was one previous to that and I cannot remember the  
20 date. It was earlier than that, and the questions were  
21 specifically directed toward the exchange of information  
22 on [REDACTED]

23 Q So you had a meeting with the IG in March of  
24 '87 that related in part to some of the things that we  
25 were just discussing?

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1 A Yes, sir.

2 Q Including the helicopter and the lethal  
3 supplies?

4 A Yes, sir.

5 Q And you said you've had two or three other  
6 meetings with the IG?

7 A I had one previous to that with the IG where I  
8 discussed the specific question on did you give  
9 intelligence to the private benefactors and the FDN  
10 regarding [REDACTED].

11 Q Have you had meetings subsequent to March of  
12 '87 with the Inspector General?

13 A Yes, sir.

14 Q When would they have occurred?

15 A This last week.

16 Q So between March of '87 and last week you had  
17 no meetings with the IG?

18 A No, sir, not to my knowledge.

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23 Q And when you spoke to the IG what did the IG  
24 indicate concerning why you were being reinterviewed at  
25 this time?

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1 A I didn't ask. I just answered the questions.

2 Q And, once again, they went over some of the  
3 same things, but your recollection was different now  
4 based on the additional information you had received?

5 A I think the only thing that's different in all  
6 of my statements is the fact that now I do remember Ian  
7 Crawford going in with me [REDACTED] All of the  
8 other statements I've made have been the same.

9 Q Let me ask during your time up here last week  
10 were you given specific instructions by anyone concerning  
11 what to say and to say to investigators?

12 A No, sir. Nobody has ever prompted me before a  
13 meeting.

14 Q Have you had any meetings with Clair George  
15 during the past week?

16 A No, sir. I haven't seen Clair George.

17 Q [REDACTED]

18 A I stopped in his office to tell him I was here  
19 and say hello, and he didn't have time to sit and discuss  
20 the matters with me.

21 Q [REDACTED]

22 A Just to say hello.

23 Q So you've had no discussions concerning what  
24 you would or would not testify to?

25 A No, sir.

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1 Q To various investigators?

2 A No, sir, not a bit. The only thing everybody  
3 has told me up front is whatever you do, make sure you  
4 tell the truth. That's it. And almost everybody in the  
5 organization has given me that advice.

6 Q Okay. Thank you.

7 MR. PEARLINE: Do you want to take a break?

8 (A brief recess was taken.)

9 BY MR. FINN: (Resuming)

10 Q Let's review a few of the other issues that  
11 have come up from time to time. This is on the contacts  
12 that you had with the private benefactors which were  
13 investigated earlier.

14 You say it was your understanding that you  
15 were not to, let's say, go out of your way to avoid them  
16 but treat them more or less in the same way that you  
17 would treat the FDN.

18 A Um-hum. Correct.

19 Q It's been widely reported, of course, that you  
20 permitted the air crews to glance at the map on your  
21 wall; is that correct?

22 A That's correct.

23 Q What did that map contain by way of  
24 information?

25 A Okay. The information on the map. I had for

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1 a very short period of time maintained just little  
2 personal marks which only I understood of enemy  
3 positions. They weren't static. In other words, these  
4 people were moving all the time. And those meant  
5 absolutely nothing because they weren't up to date. They  
6 weren't changed every week. They were just things that I  
7 had never erased.

8 There was only three things on the map.



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24 Q So you had three

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1 A That's correct.

2 Q And then a bunch of marks that were of  
3 significance only to yourself?

4 A That's correct.

5 Q And did the private benefactor air crews have,  
6 let's say, regular access to that, they could walk in any  
7 time and take a look at it?

8 A The private benefactors

9 [REDACTED] had  
10 access to my room whenever they wanted to come in for a  
11 Coke or a beer in the evening. We were friends. I mean,  
12 I couldn't tell them, you know, stay the heck out of my  
13 room. But I had briefed them, was authorized to brief  
14 them, on [REDACTED]

15 [REDACTED] and I was specifically asked  
16 [REDACTED] by the FDN and the  
17 private benefactors.

18 I was given authority to release this  
19 information to them. [REDACTED]

20 [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 Now -- well, that's basically what I have to  
24 say about that.

25 Q Did you also provide oral briefings to them in

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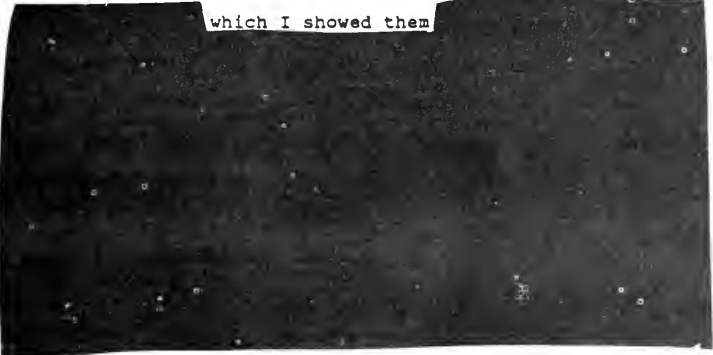


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1 addition to letting them look at the map?

2 A Okay. When they came in, they wanted to know  
3 which I showed them



12 Q How often during this period or, let's say,  
13 approximately how many times did you orally provide  
14 intelligence-related information on Sandinista  
15 capabilities to the air crews, the private benefactor air  
16 crews?

17 A I showed them  
18 that's about all I could ever  
19 give them, because at the time that is the only  
20 information I had about order of battle,  
21 That was it.



22 Q Was any threat posed to their aircraft, the  
23 private benefactor aircraft, by the MI-25s?

24 A No, sir.

25 Q Did you ever tell the private air crews the

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TOP SECRET - EYES ONLY

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1 locations of the MI-25 bases?

2 A [REDACTED] The MI-  
3 25s were not a concern, and they were aware of this also  
4 because, first of all, it was common knowledge. The  
5 Sandinista air force did not fly during the evening hours  
6 after dark; therefore, they would not be subjected to an  
7 air attack by one, since they flew all their missions at  
8 night.

9 Q A considerable amount of this time you said  
10 the base was being operated Monday to Friday and [REDACTED]  
11 [REDACTED] was present as well; is that correct?

12 A Yes, sir.

13 Q Would you say that he was involved to the same  
14 degree in interacting with the air crews and on occasion  
15 providing them information?

16 A No, sir.

17 Q To a lesser degree?

18 A Yes, sir.

19 Q Why was that?

20 A Because [REDACTED]

21 [REDACTED]  
22 [REDACTED]  
23 [REDACTED] it was my responsibility to handle this.

24 Q Are you aware of any occasions on which [REDACTED]  
25 went on board any of the private benefactor aircraft?

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TOP SECRET - EYES ONLY

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1 A No, sir.

2 Q Are you aware of any occasions on which he  
3 permitted private benefactor individuals to fly on CIA  
4 helicopters?

5 A No, sir.

6 Q Would [REDACTED] also have flown from time to time on  
7 Agency helicopters to places [REDACTED]?

8 A Yes, sir [REDACTED] generally flew  
9 in a helicopter to go from [REDACTED]  
10 [REDACTED]

11 [REDACTED] The reason I remember, he always said,  
12 geez, I'd really like to go out there and see what the  
13 camp looks like, but he never had the opportunity to fly  
14 to there. [REDACTED]  
15 [REDACTED]

16 Q Would it be probable that [REDACTED] would also have  
17 observed lethal assistance being loaded, unloaded or  
18 carried on any of the helicopter flights?

19 A Absolutely.

20 Q I believe you stated in an interview  
21 previously that you went aboard the C-7 on various  
22 occasions.

23 A Yes, sir.

24 Q What was the purpose of that?

25 A Okay. If I remember correctly, there were

TOP SECRET/CODEWORD  
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1 three occasions that I flew on the airplane. The first  
2 occasion -- let me retract here a little bit. Before I  
3 ever went on an aircraft I went in to [REDACTED]  
4 [REDACTED] and told them my desires to fly on the aircraft and  
5 why I wanted to, and that since we were treating them  
6 liked the FDN I had authorization or there was no  
7 restriction preventing me from flying on FDN aircraft. I  
8 didn't think there would be a problem, and [REDACTED]  
9 said fine. Go ahead. Be careful.

10 Now the first time I ever went on the aircraft  
11 it was in anticipation of the flight I was going to make  
12 like the next day to go in by helicopter. I had  
13 discussed with the pilots of the Caribou, the private  
14 benefactors, what they thought of the situation in that  
15 general area because of the information we had that there  
16 were MI-25a patrolling [REDACTED] frequently as much as  
17 every half hour, and how well the terrain features  
18 matched the general map of the area that we had.

19 They explained to me that they had not seen  
20 any MI-25 on any of their flights inside, which did not  
21 indicate they weren't there. I had to assume they were  
22 there. Secondly, they did tell me that if you were to  
23 fly in there looking for the place on your own you were  
24 going to encounter many problems because the maps don't  
25 match that of the terrain features on them or the actual

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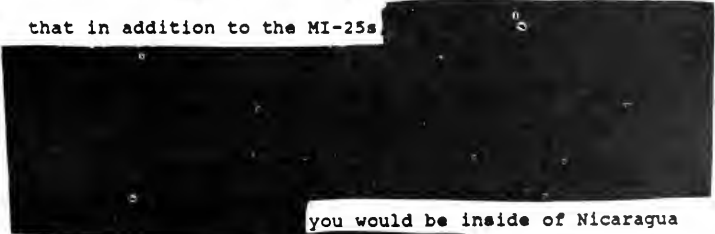
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1 terrain features of the land in comparison with the map.

2 I hope I'm not confusing you. The whole idea  
3 was that I needed to know how to get in there in the most  
4 expeditious means possible and get the helicopter out  
5 equally as fast to minimize risk for that aircraft. So I  
6 requested from the pilot -- and I don't remember who the  
7 pilot was at the time -- if I could ride along board with  
8 him and he could show me exactly which direction to fly,  
9 what land features to use as identifying points,  
10 reference points, and the best side to approach this  
11 thing from on entering it.

12 So I took my map along, stood between the  
13 pilot and copilot, flew in there. He pointed out the  
14 different land features, went right to the target. It  
15 was very simple. And I came out. The biggest fear was  
16 that in addition to the MI-25s

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21 you would be inside of Nicaragua

22 before you would ever see  I mean, you would  
23 cross 


24 And we didn't want to do that. So I went  
25 ahead on that mission, found out how to enter it. The

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1 following day or whatever it was, we flew in there, made  
2 our dropoff of me. They returned and came back later to  
3 pick me up.

4 Q The C-7 could land 

5 A This is in the helicopter. I see what you are  
6 getting at. No. They were doing an air drop. They were  
7 flying in there to do a routine air drop.

8 Q And you went along?

9 A I went along between the pilot and copilot to  
10 see where they were going, and when they returned I did  
11 know where it was and subsequently went in in my  
12 helicopter.

13 Q I see. What was the second time on the C-7?

14 A Okay. I can't remember if it was the second  
15 or third, but the other instance was the one that Ian  
16 Crawford mentioned, that I went up in the airplane with  
17 the paratroopers.

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approached me and asked me if I thought that the private benefactors would mind if they made a jump out of their aircraft.

I told them I didn't know, and what I could do is ask them if they would mind if they used their airplane. They could have done it themselves, except they don't speak English, and the private benefactors didn't speak Spanish. So it was convenient. So I asked them. The captain of the aircraft said no problem, tell them they could do it.

And none of these people had ever jumped out of a ramp type platform off of an airplane, a tailgate. And a tailgate is different in jumping from a standard side door. So I took it upon myself to go ahead and ride along just to observe what they were doing, and I had every intention, if anything looked like it was developing into a bad situation that somebody is going to get hurt, I would have put a stop to it, and that was the whole intent of it.

They all jumped out. Everything went fine. These guys knew what they were doing. As it turned out,

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1 I think this one guy had jumped ramp aircraft [REDACTED]  
 2 before. He was well trained. But anyhow that aircraft  
 3 then proceeded [REDACTED] and dropped a load of cargo and  
 4 returned [REDACTED] The reason they didn't land and  
 5 let me off at that point was because consumption of fuel.

6 The third time that I flew on the aircraft I  
 7 went from [REDACTED] with a load of lumber that  
 8 was to be used for construction of [REDACTED] hospital,  
 9 which I'm almost positive was provided by humanitarian  
 10 funds. The reason I went out on that one was because the  
 11 Indians are notorious -- that's the <sup>Kisan</sup> ~~Queen~~ -- for getting  
 12 their hands on equipment and getting rid of it fast for  
 13 money if they can, and I knew that if that stuff wasn't  
 14 put in the hands of [REDACTED]  
 15 the lumber would disappear before the hospital could be  
 16 constructed.

17 So I flew out with them, [REDACTED]  
 18 [REDACTED] made sure that the  
 19 lumber got in the right hands and the hospital was then  
 20 constructed.

21 And that is, to the best of my recollection,  
 22 the extent of my time in that aircraft.

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Pages 85, 86 and 87

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Q Let's go back to the helicopter for a minute. Did you have any reason since certain helicopters were also transporting supplies for the contras, did you have any reason to think that additional flights were being made for that purpose?

A Could you say that again?

Q The purpose of the CIA's project helicopters was to support CIA activities

A Yes.

Q That involved the moving of people and perform other missions, maybe a limited quantity of equipment to support those missions. Contras were permitted to come on board personally on a space-available basis and apparently supplies were also permitted on board. Do you have any reason to believe that more flights -- flights were arranged in order to support that resupply function and not solely for their primary mission

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A I can't answer that because I didn't schedule the aircraft. Like I said, if the aircraft showed up to my place and he was going to another location and there was space on board, we put cargo or the FDN put cargo on board that aircraft.

Q When you summarized the number of times in which the helicopters carried lethal supplies you said on a variety of occasions they would have carried lethal equipment, and that could have gone up to one and a half tons on a particular helicopter, which is the cargo capacity of a helicopter. Can you give, let's say, more specificity to that? What does that mean? How many flights did you observe that contained lethal, approximately?

A Okay. I've been asked this before. I can't put a finger on how many flights there were. They didn't happen with any sort of frequency. There might be one flight this week. Two weeks from now there might be three days in a row that stuff moved on a helicopter. I cannot say for certain how many flights there were at what intervals it came about. I just remember seeing them.

The movement of material on helicopters is one of the smallest priorities in my work, and it's nothing

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1       that really grabs my attention. And, like I state, there  
2       are more things that I pay attention to than that.

3           Q     You said you observed crates from time to time  
4       that would contain military supplies. You mentioned, I  
5       believe, mortars, mortar ammunition; is that correct?

6           A     I know for certain that there was mortar  
7       ammunition and mortar tubes on one flight.

8           Q     Did you observe assault rifles, crates of  
9       assault rifles?

10          A     I cannot remember any other specific items,  
11       and I can't say with any degree of certainty that I  
12       remember boxes being loaded on these airplanes. I just  
13       know from occasions seeing the aircraft loaded with  
14       material it went out. But, like I said, I didn't pay  
15       attention to it. I did report every one of them and what  
16       the equipment went on there from point A to B.

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[REDACTED]

Q The only thing you can recall with confidence is the mortars and mortar ammunition and mortar tubes in the boxes?

A Yes, sir. That's the only thing that I can specifically say I know, and the reason I know, I was on the aircraft.

Q Let me ask you this. The helicopters, in my understanding, would fly out of and, as we discussed before, would fly occasionally out [REDACTED]

[REDACTED] There were contras [REDACTED] who presumably needed some defensive equipment. Based on what you observed about the quantities of arms that were on the helicopters, the ones that you spotted, would it be consistent with what you saw to say that they were just defensive arms [REDACTED]

A I have no idea what anything was used for other than the fact that it was put on the helicopter at [REDACTED] and would go to its destination. What the user did with it at the other end, I have no idea. There was not -- you know, I don't want you to be under the

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1 impression that the majority of these flights carried  
 2 arms and ammunition. The helicopters carried material  
 3 and the material went anywhere from boots to uniforms to  
 4 hats, to machetes, to ammunition and weapons.

5 But I cannot say how many. I cannot say what  
 6 percentage or anything like that. It is on record and it  
 7 can be obtained, but I do not remember them.

8 Q You filed reports on these?

9 A Yes, sir. Every single flight that left  
 10 [REDACTED] was documented.

11 Q Helicopter flights?

12 A Helicopter flights.

13 Q And you would report on the nature of the  
 14 cargo that was on the helicopter?

15 A Yes, sir.

16 Q How would you make such a report?

17 A It went out in intel format on such and such a  
 18 date, you know, FDN [REDACTED] delivered X number of  
 19 pounds of cargo from [REDACTED] and then the coordinates  
 20 to [REDACTED]

21 Q You would file such a report even if the CIA  
 22 helicopter --

23 A Absolutely.

24 Q Would there be any way of telling from such a  
 25 report whether the cargo was carried on a CIA helicopter

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1 or a non-CIA asset?

2 A Okay. The FDN does have a [REDACTED] helicopter and  
3 it is named Lady Ellen, and they also have a [REDACTED].  
4 The [REDACTED] has hardly ever been used to move cargo  
5 from my location to [REDACTED] or any other location. The  
6 two helicopters generally operate [REDACTED]  
7 [REDACTED] somewhere else forward. The Lady  
8 Ellen has been unserviceable for the majority of its life  
9 [REDACTED] Therefore you can assume a majority of  
10 everything that's reported, that would be reported as  
11 helicopter, would be from project helicopters.

12 Q So based on your reporting every report that  
13 reports a delivery by helicopter [REDACTED] we can  
14 pretty much be sure was on a CIA helicopter?

15 MS. MC GINN: Object to the form of the  
16 question. That's not what he said. He said the  
17 majority.

18 THE WITNESS: That's exactly right. The  
19 aircraft that left [REDACTED] for the most part were Agency  
20 or project helicopters, and there were occasions that  
21 Lady Ellen did move stuff, but Lady Ellen did spend the  
22 majority of its time unserviceable.

23 BY MR. FINN: (Resuming)

24 Q What percentage of the time was the Lady Ellen  
25 in operation?

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1           A     I can't remember, sir, but I also do monthly  
2 reports on the serviceability of all aircraft and it  
3 would be stated in there. I remember as much as two or  
4 three months where Lady Ellen was down.

5           Q     Well, if we got all the reports that you filed  
6 about the cargo that was delivered by helicopters [REDACTED]  
7 [REDACTED] how much of that could we  
8 assume was carried on a CIA helicopter as a rule of  
9 thumb, in your estimation?

10          A     I can't give you a percentage. I mean, I  
11 would be speculating if I give you a percentage.

12          Q     Well, is a CIA helicopter in operation 100  
13 percent of the time, and there is the Lady Ellen which is  
14 out of operation most of the time, and there's a [REDACTED]  
15 [REDACTED] which doesn't carry much cargo and would seldom be  
16 used for that purpose. So that appears to say that there  
17 would be a certain high percentage of times in which any  
18 reported helicopter deliveries would be on a CIA  
19 helicopter.

20                 Can you give any kind of figure to that  
21 percentage?

22          A     Well, you can assume that the aircraft would  
23 be, the majority of the flights would be with that, but  
24 for me to sit here and state that 70 percent or 80  
25 percent or 20 percent was used by Agency helicopter would

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1 be speculation.

2 Q Would it be safe for us to assume that two-  
3 thirds of any such --

4 A I don't know. I really don't know. I would  
5 like very much to answer you, but I would be guessing and  
6 I might be giving you wrong information.

7 Q Would there be any way to tell from the  
8 reports if it was the Lady Ellen? Would it be indicated  
9 in the reports?

10 A It would say helicopter.

11 MR. FINN: I think I'm to the end of mine.  
12 Does anyone else have anything?

13 MR. BERMINGHAM: I was just going to ask one  
14 thing.

15 EXAMINATION

16 BY MR. BERMINGHAM:

17 Q As I recall, you said that talking to [REDACTED]  
18 when you pointed out this is illegal to use Agency craft  
19 for the weapons and he said go ahead and do it, they  
20 probably won't survive, that was an important little  
21 discussion. And then Clair George shows up a couple of  
22 days later, and I think you said --

23 A No, sir. This conversation took place way  
24 before Clair George ever showed up.

25 Q When did you talk to [REDACTED] about it?

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1 A I talked to [REDACTED] shortly before the IG

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3 Q Which was about when?

4 A A week or two weeks prior to that. [REDACTED]

5

6 Q So this is an important, significant thing.  
7 You and [REDACTED] and [REDACTED] are talking about this  
8 particular issue. Within how long after that did Clair  
9 George arrive, after this last talking with [REDACTED] and  
10 [REDACTED] about this?

11 A I would say within a week, something like  
12 that, two weeks -- and I'm guessing.

13 MR. PEARLINE: Could we go off the record for  
14 a second?

15 (A discussion was held off the record.)

16 BY MR. BERMINGHAM: (Resuming)

17 Q Clair George [REDACTED] specifically  
18 asked you did you really give this guy a ride down here.

19 A Correct.

20 Q And was there really ammunition on board.

21 A Correct.

22 Q He didn't ask you anything about were there  
23 any other ammunition trips using CIA helicopters?

24 A Never mentioned anything else. I mean, it was  
25 just a dead subject then. He just asked me that

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1 question. I answered the question, and that was it.

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Q Okay. And the second question I have is about

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the

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A It would have been extremely difficult to move

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anything in that

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Q Then if we can more or less rule out the use

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of [REDACTED] for any sizeable shipment of arms, and if

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we get the records on the Lady Ellen that show that the

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Lady Ellen is out of commission for a certain two-month

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period, any arms shipped to [REDACTED] from [REDACTED]

22

would have had to have been by helicopter, would have to

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have been?

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A During that particular period.

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Q If the Lady Ellen was out, correct?

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1 A That's correct.

2 Q And the Lady Ellen, is that big helicopter?

3 A It's smaller [REDACTED]

4 [REDACTED] They don't have the  
5 side storage capability [REDACTED] It

6 reduces the storage by about at least a third.

7 Q And who was piloting the Lady Ellen?

8 A An FDN pilot.

9 [REDACTED]  
10 [REDACTED]  
11 [REDACTED]  
12 [REDACTED]  
13 [REDACTED]  
14 [REDACTED]  
15 [REDACTED]

16 Q Ian Crawford mentions a strange [REDACTED] that he  
17 saw there.

18 A I've heard this before, and I haven't ever  
19 seen this aircraft. I've never seen it.

20 Q Do you think he's confusing it with the FDN's

21 [REDACTED]?

22 A I don't know what the man thinks. All I know  
23 is that we've only had one [REDACTED] at [REDACTED] It was  
24 there the whole time he was there.

25 [REDACTED] And

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1 what he is stating I have no idea what he is referring to  
2 because I've never seen another one there.

3 Q His description was just [REDACTED]

4 A You know, I don't know what he saw, but I  
5 haven't ever seen another [REDACTED] at [REDACTED]

6 Q You just saw one [REDACTED] there?

7 A Yes, sir.

8 Q There's also been several allegations in the  
9 newspapers about drugs being shipped.

10 A Could I back up? I don't remember how long  
11 Ian Crawford and group were there. This new [REDACTED]  
12 [REDACTED] was parked there. It flew  
13 in. I don't know if he was there during that time frame.  
14 It wasn't coming down to bring cargo. [REDACTED]  
15 [REDACTED] It was the new [REDACTED] but it never moved  
16 during the whole time they were there. [REDACTED]

17 [REDACTED]  
18 [REDACTED]  
19 [REDACTED]  
20 But as far as [REDACTED] coming [REDACTED] to  
21 bring in anything or go out with anything, there weren't  
22 any.

23 Q Just a general question of various allegations  
24 about drug traffic [REDACTED] Did you ever see  
25 any planes carrying any bundles of marijuana?

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1           A     That's absurd. I've never heard of anything  
2     like that. I have never seen it, never heard anything  
3     about it, never heard anybody even talking about it or  
4     anything.

5           Q     You feel confident that it didn't happen?

6           A     I would say yes, sir, to my knowledge. I  
7     would think it foolish to even consider it. The FDN is  
8     extremely aware and keen on the fact that they are under  
9     U.S. Government scrutiny and to do something like that  
10    would be absolutely absurd.

11          Q     I just wanted that for the record because the  
12    allegations have been made.

13               BY MR. FINN: (Resuming)

14          Q     I've got a couple more now that I stop and  
15    think about it.

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1 Q Just two more questions about the helicopters.  
2 In the CIA's method of running helicopters, who is  
3 responsible to certify the cargo and make the decision  
4 that a flight will proceed? Is that the pilot's  
5 responsibility or is there a loader or designated agent  
6 of some kind who would certify that everything's okay,  
7 take off?

8 A Okay. Not to knock a pilot down or anything,  
9 but pilots have a specific job, and that's to fly an  
10 airplane. They do not make decisions on where they are  
11 flying or what they are carrying. That is done either  
12 by the chief or through a request from [REDACTED]  
13 [REDACTED] which goes [REDACTED] and then  
14 the plane is laid on by either the chief or [REDACTED]  
15 [REDACTED]  
16 [REDACTED]  
17 [REDACTED]  
18 [REDACTED]

19 Q Okay. And at the staff meeting at which you  
20 brought up the subject about the lethal supplies going on  
21 the helicopters, who would have been present in that kind  
22 of staff meeting [REDACTED]

23 A [REDACTED]  
24 The whole [REDACTED] is invited to our staff meetings.

25 Q Would this usually also include the

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1 individuals who would serve the helicopters on the ground

2 [REDACTED] ?

3 A Yes, sir, absolutely.

4 Q [REDACTED] if he was  
5 available?

6 A Yes, sir.

7 Q I just wanted to establish who would have been  
8 at such meetings.

9 A They would have been there and they would have  
10 understood the policy [REDACTED] after the meeting.

11 MR. FINN: Okay. Thank you.

12 BY MR. BIRMINGHAM: (Resuming)

13 Q One question. When you mentioned when you had  
14 the discussion with [REDACTED] about the illegality or  
15 legality of using the Agency aircraft, was it at the  
16 conclusion of the meeting as a private conversation or  
17 was it discussed with the whole group?

18 A No. It was during my turn at the floor. Each  
19 [REDACTED] got to mention the  
20 business at hand for the week, the following week, and  
21 also any problems, personal problems they might have with  
22 operations. [REDACTED] would get their chance  
23 to speak just like any general staff meeting. Everybody  
24 at the meeting gets to voice whatever is on their mind.

25 Q And you made this in front of the whole group,

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1 the problem that should be considered, and you got the  
2 reply?

3 A The group was there.

4 BY MR. FINN: (Resuming)

5 Q And the group was also present when [REDACTED]  
6 replied that the contras needed this in order to survive?

7 A That's correct.

8 MR. FINN: Very good. Thank you.

9 ( Whereupon, at 1:10 p.m., the taking of the  
10 instant deposition ceased.)

11 \_\_\_\_\_  
12 Signature of the Witness

13 Subscribed and Sworn to before me this \_\_\_\_\_ day of  
14 \_\_\_\_\_, 1987.

15 \_\_\_\_\_  
16 Notary Public

17 My Commission expires: \_\_\_\_\_

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## CERTIFICATE OF REPORTER

I, MICHAL ANN SCHAFER, the officer before whom the foregoing deposition was taken, to hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Michal Ann Schaffer

Notary Public

in and for the District of Columbia

My Commission Expires: February 28, 1990

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